HOUSEHOLD ACCOUNTS AND RELATED PROBLEMS

English Medium Schools
FOR CLASS 9th & 10th

STANDARD BOOK HOUSE
URDU BAZAR - LAHORE
FOR
PUNJAB TEXT BOOK BOARD LAHORE

APPEAL

Punjab Textbook Board is a national organization. Its functions include timely availability of low-priced and standard textbooks to students. On the eve of this academic session special care has been taken to improve and modernise textbooks. The book in your hands has been printed using high quality ink on greenish blue paper. Insignia of the Board is invariably printed on the title of each and every textbook published by the Board. Pirates print parallel editions on inferior paper using sub-standard inks with false marks on the titles and bring out books defective both in content and presentation of material.

You are requested to inform the Board about the name and address of the bookseller concerned in case you come across a pirated textbook so that effective action is taken against those persons who are involved in the unethical act of piracy.

Every care is taken in maintaining standard of printing and binding in respect of each book published by the Board. However, if the book you purchase, happens to have some defects in printing or binding, you are advised to get it replaced from the bookseller concerned. The Board has directed all the booksellers to replace defective books. Kindly inform the Board in case of any complaint.

You are not bound to purchase any additional book. If you are forced by any body to purchase books other tha[illegible] Boards, please intimate on the following address:

(KH. GHULAM KIBRIYA)
(CHAIRMAN,
PUNJAB TEXTBOOK BOARD,
21-E-II, GULBERG-II[illegible]
LAHORE.

For English Medium Schools

HOUSEHOLD ACCOUNTS AND RELATED PROBLEMS

CLASS IX - X

Publishers :

STANDARD BOOK HOUSE
URDU BAZAR — LAHORE.

FOR

PUNJAB TEXT BOOK BOARD
LAHORE

All rights reserved with the Punjab Text Book Board Lahore.
Prepared and Produced by the Punjab Text Book Board, Lahore, vide circular No. S.O. (C) 10-25/74 Dated 15-7-1975.

Reviewed and approved by the National Review Committee, Federal Ministry of Education and Provincial Coordination Government of Pakistan, Islamabad for schools of the Punjab.

Corrected by : National Textbooks Review Committee.

Authors :

1. Chaudhri Ghulam Hussain.
2. Allaudin.
3. Abdul Qayyum Khan.

Reviewed by :

Abdul Qayyum Khan.

Translated by :

1. B. A. Chishti.
2. Syed Sajjad Rizvi.

New Edition Edited by

Miss Zabinda Mashkur

Printed at

Habib Press Lahore

Edition	Date	Copies
Ist	March 1983	500

PREFACE

The Book Household Accounts and Related Problems has been prepared in accordance with the requirements of the new approved curriculum of National Curriculum Committee. It is the sole text book for secondary classes.

The present edition has been compiled after necessary amendments. The book in its present shape lays no claim to being exhaustive, as the irrelevant and unnecessary topics have been omitted. It strictly adheres to the requirements of the New Education Policy. The chapters have been compiled with the minimum necessary information.

The related problems have been discussed thoroughly and presented with examples which provide ample scope for their definition. The language used is within easy reach of the students.

The present edition strictly reflects the New Education Policy and in achieving the objectives of education special attention has been given to the basic principle which could bring the students nearer to the realities of life and to make them successful and conscientious citizens of Pakistan.

In our society a great majority of the housewives have a major responsibility of household work. The related household problems have been discussed thoroughly with examples so as to make them well acquainted with such problems.

The New Curriculum suggests the basic demands of our present society. It includes such information which relates to the practical life of the students and moreover if they have to choose a vacation they can deal with it efficiently.

However the main emphasis of the information presented is laid on the fact that after having a thorough knowledge of Household Accounts and Related Problems, students will apply it not only in their practical life but in guiding the others around them as well.

AUTHORS.

Note : —The rates given in the various chapters of the book are subject to change so the teachers/students are advised to follow the current rates. (Punjab Textbook Board, Lahore)

CONTENTS

Contents Pg. No.

Chapter I

Objects of keeping household account. 1
Methods of keeping accounts. 3
Day-book. 5
Cash-book. 8
Stock-book. 21
Annual stock. 26
Purchase and consumption of stores. 28
Account of store for rural women. 32
Property account. 35
Personal library. 39
Questions. 40

Chapter II

Budget. 48
Family budget. 49
Objects of budget. 49
Method of preparing a budget. 51
Perhead expenditure 56
Questions. 59

Chapter III

Saving and investment. 62
Institutions of investment. 63

Contents Pg. No.

Shares of limited companies. 64
Bonds or debentures 66
Banks. 67
Deposit certificate schemes 69
Post-office savings bank and National savings centers. 70
Prize Bonds. 75
National investment trust (unit.) 76
Life Insurance 78
Questions. 86

Chapter IV

Banking 88
Kinds of Banks 88
State Bank of Pakistan. 90
Keeping account of General Public. 92
Opening a Bank account. 96
Operating Bank account. 102
Kinds of Cheques. 106
Change in the nature of a Cheque. 110
Bank Draft. 110
Method of writing a Cheque. 111
Fixed Deposits · 113

Contents	Pg. No.
Fixed Deposit receipt.	114
Questions.	117

Chapter V

Contents	Pg. No.
Purchasing and planning.	118
Buy when you need.	121
Short term and long term planning.	122
Obtaining the worth of one's money.	125
Rules for making purchases.	126
System of making Purchases.	127
Method of making Purchases.	129
Method of making Payments.	131
Price List.	132
Receipt.	133
Cash Memo.	133
Bill.	135
Invoice.	136
Verification of Articles and Invoice.	136
Account.	137
Moral obligations of consumers.	138
Characteristics of Consumers.	140
Questions.	142

Chapter VI

Contents	Pg. No.
Post and Telegraph Offices.	145
Functions of the Post and Telegraph Departments.	146
Two Branches of of the Post Office Department.	149
Letters.	150
Post Card.	152
Business Reply Post Cards and envelope.	155
Redirection of the letters.	156
Printed Matter.	161
Registered Newspaper.	165
Return Letters Office and undeliverable Letters.	167
Distribution of the Post and duties of a Postman.	168
With Drawal of Letters	171
Certificate of Posting.	171
Express Delivery Post.	174
Late Fee.	174
Questions	175
Registration	176
Insured Registration.	179
Questions.	184
Parcel.	186
Questions.	188
Value Payable Parcels.	189
Questions.	192
Money Order.	192

Contents Pg. No.

Money Order by Air Mail. 194
Questions. 195
Postal Order. 197
Questions 200
Air Mail. 201
Foreign Air Mail. 203
Questions. 204
Telegram. 204
Abbreviated Address Telegram. 211
Questions 215
Foreign Telegram or Cablegram 216
Questions. 220
Telephone 220
Care of the Telephone 221
Manners of using a Telephone. 222
Manners of receiving a Call. 225
Procedure for getting a Telephone installed. 226
Telephone Calls. 228
Telex 236
Questions. 239

Chapter VII

Licence and Taxes 240
Licence. 240
Licence for arms and ammunitions. ,,
Radio licence. 242
Television licence. 245
Licence for Birds and animals. 247
Automobile driving licence. 248
Questions. 250
Taxes. 251
Income Tax. 254
Rate of Tax on Taxable income. 256
Goods and sales Tax. 258
Property Tax. 260
Motor Vehicles Tax 261
Professional Tax. 262
Water Tax. 263
Questions. 264

Chapter VIII

Salesmanship. 265
Qualities of a good salesman. 268
Personality of a good salesman. 271
Apparent personality of a salesman. 273
Hidden characterstics of the personaity. 275
Basic obligations of a salesman under different situations. 277
Moral obligations of a salesman. 281
Types of salesman. 284
Owner salesman. 284
Paid salesman. 287
Sale through publicity. 288
Common Buying Behaviour of consumers. 292

Contents	Pg. No.	Contents	Pg. No.
Classfication of consumer Behaviour	294	2. Treatment for the consumers.	299
Ways of handling different types of consumers.	297	Questions.	303
1. Diagnosis.	298		

CHAPTER I

1. Objectives of keeping household accounts

Most of our time is spent either in earning a living or meeting needs of life. Our expenses correspond directly to our income, however small or however big. Our expenditure cannot exceed our income. Also, it is a more difficult job to utilize our income in a manner that domestic needs are met properly than earning a livelihood. Pakistani society is very different from western societies. In our society men and women shoulder different responsibilities, which reflects eastern style of our society. It is the duty generally of men to earn a living and that of women to look-after domestic needs and to bring up their children. A housewife can be rightly proud of being responsible for happy domestic life of members of her family. An intelligent lady can make her home paradise on earth.

It needs a lot of intelligence and skill on the part ~~of a~~ woman to strike a balance between expenditure and income and to make her house a happy one. Our expenses spring from our desires, which have no limits. It is not possible to meet these expenses because our sources of income would be insufficient to do so. It is, therefore, necessary to incur expenditure on necessaries of life in a manner that we can draw maximum of satisfaction from it. Our expenses become a source of worry for us, if we do not strike a balance between our income and expenditure. We must also save something for bad days. It is not always possible for us to increase our income. We must, therefore, meet our expenses from within our sources of income. It is the foremost duty of a housewife to strike a balance between income and expenditure and save something for bad days.

There is always a limit to our sources of income, however vast they are. But there is no limit to our desires. Our income cannot, therefore, defray expenses needed for the fulfilment of all our desires. However, our desires vary in importance. More important of them have to be fulfilled, while others ignored. Necessary expenditure has, therefore, to be preferred to unnecessary one. But it is well nigh impossible to distinguish one from the other and to make an estimate of either of them without reducing all kinds of expenditure. Memory can guide us only to a limited extent. It cannot help us to remember all the details of expenditure we incur. Written account, on the other hand, furnishes information on all sources of income and expenditure and on domestic property and its value ; removes any possibility of error in debts we owe to other people and other people owe to us ; and tell us at a glance about income and expenditure during a specific period of time. Written account also provides satisfaction to the earner, who is generally the male partner. Details of expenditure help in increasing income and decreasing expenditure, which in turn, enables us to strike a balance between income and expenditure.

There are many advantages of keeping written account of income and expenditure. We come to know the daily expenses we incur and expenses incurred on different dates. We know the date of purchase of various articles. We keep an account of amounts we owe to others and others owe to us. We know the cash in hand. We can make comparison between incomes and expenditures of various months. We can calculate savings. We can review expenses on unnecessary items and try to retrench them, We can take steps to increase our income. Written accounts protect a housewife from being defrauded by servants. Omissions and errors are excepted. Written account is not only a source of satisfaction for the housewife, it also provides guidance to others. There is always risk of increase in unnecessary expenditure if we do not keep written accounts. We are liable to be put to shame if we do not make payments in time. We may forget to realize amounts that others owe to us. We cannot strike a balance between income and expenditure. It becomes difficult to affect any savings. Servants can easily defraud the housewife. It becomes difficult to defray household expenses inspite of reasonable income, which can cause misunderstandings between the earner and the housewife.

2. Methods of keeping account.

We have so far studied aims and objects of keeping household account and its advantages. We shall now discuss methods of keeping these accounts, with which every housewife should be familiar.

Every bargain has two aspects. It presupposes a creditor and a debtor. Seller of an article is creditor and buyer of the article is debtor to the amount for which the article has been sold. A bargain cannot, therefore, be struck without a creditor and a debtor. Same is true of a service rendered. All bargains will either be personal or related to articles, e.g. in the case of the sale of a chair, there is a seller, a buyer and the article which has been sold i.e. the chair. In so far as it relates to the seller and the buyer, the bargain is personal. In so far as the chair is concerned, the account relates to property.

Similarly other accounts would relate to education, ornaments, entertainment, etc.

A person can buy articles of same nature from more than one persons or parties, e.g. Raja Akhtar Hussain buys a gramophone and gramophone records from Friends & Co. He also buys a gramophone and some records from Zafar Bros. In this way Raja Akhtar Hussain keeps two personal accounts; one with Friends & Co., and the other with Zafar Brothers. These two personal accounts give rise to another account; that of gramophone and records. This will be called Raja Sahib's gramophone account.

Every body must keep a monthly account, which will show his income and expenditure at a glance. Income of everybody is limited. No one can spend money without taking into account one's income. It is, therefore, essential to keep such accounts.

Every housewife must keep three kinds of accounts.

i) Personal Account.

ii) Real Account.

iii) Income and Expenditure Account.

Personal Account is one which relates to an individual. It shows how much that person owes to other people and how much they owe to him.

Real account relates to movable and immovable property of a person. Movable property includes household articles, furniture, utensils, ornaments, clothes, books, etc. while immovable property includes houses, lands, etc.

Income and Expenditure account. It is an account of income and expenditure of a person, a family or a firm, which shows financial position of the person, or the family or the firm.

It is necessary to keep every account separately so that errors could be avoided. Such an account in-respect of a person is called, Ledger. Account of payments made in cash is called Cash Account. It contains complete record of cash payments and receipts obtained thereof. Register containing record of daily purchases and sales is called Day Book.

Three kinds of registers are used to keep household accounts. A housewife consults these registers if she wants to know something about domestic income and expenditure. These registers are .

i) Day Book.
ii) Cash Book.
iii) Stock Register.

Day Book.

Day Book is the most important book. It contains basic information on daily record of amounts received and expenses incurred. All accounts are completed with the help of Day Book, which contains date-wise record of receipts and expenses. Cash Book and Stock Register are prepared with the help of Day Book. Details of various kinds of expenses can be obtained from this book. Without this Book we shall not be able either to prepare any account or obtain any information about any account. There are two methods of preparing a Day Book.

1. Household Day Book.
2. Double Entry Day Book.

A housewife makes the following entries on every page. (i) Date (ii) Items of Income Expenditure (iii) Amount.

Double Entry Day Book can also be used by Housewives. It admits of entries of both the accounts affected by all kinds of transactions. This kind of Day Book is essential for business concerns. As household accounts are not very complicated, use of Double Entry Day Book is not called for. Ordinary Day Book serves the purpose very effectively.

An example to illustrate the method of writing a Day Book is given below :

Example : Begum Siddiq Ahmad starts writing her Day Book on April 1. Details of income and expenditure during the month of April are given below :

Rs. 1550/- were received on account of salary and Rs. 250/- on account of house rent on April 1 by Begum Ahmad. Rs. 150- were disbursed to the servants on account of their salary and Rs. 300/- remitted to Abid and Zahid for meeting College expenses on April 2. Rs. 18/- were paid to clear water and electricity bills, Rs. 5/- were donated to the mosque and the orphanage, and Rs. 200/- deposited in the bank on April 3. Rs. 50/- were remitted towards payment of Insurance premium for Mr. Siddiq's life policy and Rs. 50/- towards payment of bill for books received from M/s Arthors and Publishers Co-operative Federation on April 6. Rs. 42/- were received from Taj Company as share of the profits ; Rs. 24/- remitted towards payment of school fees of children. Rs. 150/- receives as share of the land profits ; and Rs. 15/- paid as Land revenue on April 10. Suit piece worth Rs. 170/- ; ghee worth Rs. 50/ ; and tri-cycle worth Rs. 45/- were bought on April 16. Rs. 50/- were remitted to Anjuman Himayat-i-Islam as donation ; Rs. 25/- received as Sajid's scholarship, and Rs. 26.50 remitted towards payment of photographer's bill on April 17. Rs. 100/- were remitted towards payment of first instalment of House

P.T.O. on April 22. A goat worth Rs. 135/ was bought from Mubarik for sacrifice on the occasion of Idul Azha on April 28. Butcher's bill worth Rs. 70/-, that of vegetable seller worth Rs. 135/-, milk seller worth Rs. 60/, baker worth Rs. 50/, firewood seller worth Rs. 50 - grocer worth Rs. 206/-, and General Stores worth Rs. 25/- were paid on April 30.

Solution. Begum Siddiq Ahmad's Day Book is given below. It contains details of income and expenditure during the month of April. It will, therefore, carry the title "Day Book of Begum Siddiq Ahmad Khan for the month of April, 1981' and will be written in the following manner :

Date	Items of income and expenditure	Amount
April 1.	By monthly salary	Rs. 1,550.00
	By Rent of the House	250.00
,, 2.	To servant's salaries	Rs. 150.00
	College expenses remitted to Abid & Zahid	Rs. 300.00
,, 3.	To water and electricity charges	Rs. 18.00
	Donation to mosque & orphanage	Rs. 5.00
	Deposited in the Bank	Rs. 200.00
,, 6.	To Insurance Premium	Rs. 50.00
	To M/s Arthors & Publishers Cooperative Federation bill for books	Rs. 50.00
,, 10.	By share of profit from Taj Co.	Rs. 42.00
	To School fees	Rs. 24.00

	By Share of profit from lands	Rs.	150.00
	To land revenue	Rs.	15.00
April 16.	Payment of the price of suit piece	Rs.	170.00
	Payment of the price of ghee	Rs.	50.00
	Payment of the price of Tricycle	Rs.	45.00
„ 17.	Donation to Anjuman-Himayat-i-Islam	Rs.	50.00
	By Sajid's scholarship	Rs.	25.00
	To photographer's bill	Rs.	26.50
„ 22.	To Instalment of House's P.T.O.	Rs.	100.00
„ 28.	To the price of goat for sacrifice on the occasion of Idul-Azha	Rs.	135.00
„ 30.	To Butcher's Bill	Rs.	70 00
	To Vegetable seller's bill	Rs.	135.00
	To milk seller's bill	Rs.	60.00
	To Confectioner's Bill	Rs.	50.00
	To firewood seller's Bill	Rs.	50.00
	To Grocer's bill	Rs.	206.00
	To General Store bill	Rs.	25.00

Cash Book.

Cash book contains record of cash transactions. It has two parts; one of income and the other of expenditure. The former is called the credit side and the latter the debit side. Every part has four columns:

(i) Date (ii) Particulars of receipts/expenditure (iii) Amount (iv) Folio. Difference between the credit side and the debit side is the balance which is also called cash in hand. Cash in hand should tally with the cash available in the safe. If it does not, there is something wrong somewhere ; either some over-payment has been made or theft has taken place or totals are incorrect.

The balance or the cash in hand must tally with the cash available in the safe. Credit and debit sides of the account should be totalled separately. The difference between the two is cash in hand. When this difference is added to the debit side the two totals will tally with each other. Next day this balance is brought forward to the credit side as cash in hand.

Method of Writing a Cash Book. There are two methods of writing a cash book. Either the page is divided into two parts to accommodate details of the credit side and the debit side or two pages are used for the two sides :

We must remember the following few points while writing a Cash Book.

1. We must begin with the cash in hand which is brought forward from previous page or the previous month. Cash in hand is not mentioned in the Day Book.
2. Purchase of articles on credit is not registered in a cash book, while we can do so in a Day Book.
3. Total amount of the credit side is either more than that of the debit side or equal to it. It cannot be less than the debit side.

Now we shall prepare a Cash Book with the help of Begum Siddiq's Day Book. We presume she had Rs. 50/- as cash in hand.

CASH BOOK OF BEGUM SIDDIQ AHMAD KHAN

For April, 1976

CREDIT			DEBIT		
Date	Particulars of Income	Amount	Date	Particulars of expenditure	Amount
April		Rs.	April		Rs.
1	Brought forward from previous month	50.00	2	To servants	150.00
				To College expenses of Abid & Zahid	300.00
	By salary	1550.00			
	By Rent	25.00	3	To water and electricity bill	18.00
				Donation to mosque and orphanage	5.00
				Deposited in the Bank	200.00
			6	To Insurance Premium	50.00
				To M/s Arthor's bill for Book	50.00
10	By Share of profit from Taj Co.	24.00	10	To fees of children	24.00
				To land revenue	15.00
	-do- ,, from lands	150 00	16	To purchase of Suit piece	170 00
				To purchase of ghee	50.00
				To purchase of Tricycle	45.00
17	By Sajid's Scholarship	25.00	17	Donation to A H.I.	26.50
				To photographer's bill	50.00
			22	Instalment of	100.00

P.T.O.

			28	Sacrificial goat for Eid	135.00
			30	To Butcher's Bill	70.00
				To Vegetable Seller's Bill	135.00
				To Milk Seller's Bill	60.00
				To Confectioner's Bill	50.00
				To firewood Bill	50.00
				To grocer's Bill	206.00
				To General Store Bill	25.00
	Total :			Total :	1,996.50
				Cash in hand :	82.50
		2,079.00		Grand Total :	2,079.00

Cash Book of Begum Ahmad (II Method)

Date	Particulars of Income & Expenditure	Amount of Income Rs.	Amount of Expenditure Rs.
April 1	Balance in hand	50.00	
	By salary	1550.00	
	By rent	250.00	
			Balance
		1850.00	1850.00
2	Balance in hand	1850.00	
	To servant's salaries		150.00
	To College expenses of Abid and Zahid		300.00
			450 00
		Balance	1400.00
		1850.00	1850.00

3	Balance in hand	1400.00	
	To water and electricity charges		18.00
	Donation to mosque & orphange		5.00
	Deposited in the Bank		200.00
			223.00
		Balance	1177.00
		1400.00	1400.00
6	Balance in hand	1177.00	
	To Insurance premium		50.00
	To M/s Arthor's & Publishers bill		50.00
			100.00
		Balance	1077.00
		1177.00	1177.00
10	Balance in hand	1077.00	
	Share of profit from Taj Company	42.00	
	To school fees of children		24.00
	Share of profit from lands	150.00	
	To land revenue		15.00
			39.00
		Balance	1230.00
		1269.00	1269.00
16	Balance in hand	1230.00	
	Purchase of suit piece		170.00
	Purchase of ghee		50.00
	Purchase of tricycle		45 00
			265.00

		Balance	965 00
		1230.00	1230.00
17	Balance in hand	965.00	
	Donation of A.H.I.		50.00
	Photographer's Bill		26.50
	By Sajid's Scholarship	25.00	
			76.50
		Balance	913.50
		990.00	990.00
22	Balance in hand	913.50	
	Payment of instalment of P.T.O		100.00
		Balance	813.50
		913.50	913.50
28	Balance in hand	813.50	
	Purchase of sacrificial goat for Eid		135.00
		Balance	678.50
		813.50	813.50
30	Balance in hand	678.50	
	To Butcher's bill		70.00
	To vegetable seller bill		135.00
	To milk seller's bill		60.00
	To Confectioner's bill		50.00
	To firewood bill		50.00
	To grocer's bill		206.00
	To General Store bill		25.00
			596.00

		Balance	82.50
		678.50	678.50

Note : In this method balance in hand has been shown daily. Particulars of income and expenditure have been shown at one place. However, there is no harm even if they are shown at two different places.

Example. Zainab, the milk seller, had Rs. 56/- as cash in hand on April 30, 1981 She received and expended the amounts given below during the month of May, 1981 :

May 1 : She received Rs. 106/- from Hakim Din towards payment of the bill for milk. She purchased fodder for buffaloes worth Rs. 80/-.

May 4 : She received Rs. 98/- from Muhammad Ali towards payment of the bill for milk. She spent 36/- on the purchase of grass.

May 6 : She received Rs. 82/- from Salamat Ali towards payment of the bill for milk. She purchased gram worth Rs. 36/- common salt worth Rs. 4/- and oil cake worth Rs. 32/-.

May 11 : She sold dried cakes of cowdung for Rs. 15/- and received Rs. 45/- from Sultani towards payment of the bill for milk.

May 20 : Gram worth Rs. 40/- and utensils worth Rs. 20/- were purchased by Zainib. She paid Rs. 55/- as cartage. She spent Rs. 15/- on the repair of cycle. She paid Rs. 10/- to the servent. Prepare the Cash Book.

CASH BOOK OF ZAINAB, MILK SELLER

For May, 1981

CREDIT			DEBIT		
Date May	Particulars of Income	Amount Rs.	Date May	Particulars of Fxpenditure	Amount Rs.
1	Cash in hand	56.00	1	Purchase of fodder for buffaloes	80.00
	By Hakim Din as price of milk	106.00		Cash in hand	82.00
	Total :	162.00		Total :	162.00
4	Cash in hand	82.00	4	Purchase of gram	36.00
	By Muhammad Ali as price of milk	98.00		Cash in hand	144.00
	Total :	180.00		Total :	180.00
6	Cash in hand	144.00	6	Purchase of gram	36.00
	By Salamat Ali as price of milk	82.00		Purchase of Oil Cake	32.00
	Total :	226.00		Purchase of common milk	4.00
					72.00
				Cash in hand	154.00
				Total :	226.00
11	Cash in hand	54.00	11	Cash in hand	214.00
	Sale of dried cakes of cow dung	15.00			
	By Sultani as price of milk	45.00			
	Total :	214.00		Total :	214.00

20	Cash in hand	214.00	20	Purchase of gram	40.00
				Purchase of utensils	20.00
				Carriage	55.00
				Cycle repair	15.00
				Payment to servant	10.00
					140.00
				Cash in hand	74.00
	Total :	214.00			214.00

QUESTIONS

1. **What is a Day book of a housewife ? What entries does it contain ? Describe the importance and advantages] of a Day Book.**

2. **What is a Cash Book ? What entries does it contain ? Describe the advantages of a Cash Book ?**

3. **What do you mean by keeping household accounts ? What books do we use for this purpose ?**

4. **Write imaginary particulars of income and expenditure of a family and prepare a Day Book and a Cash Book with the help of these particulars ?**

5. **Nasim Akhtar had Rs. 135/- as cash in hand on June 1, 1982. She received an amount of Rs. 1450/- as salary and Rs. 450/- as rent of her house, the same day. She paid Rs. 100/- to Aziza Sultana to clear her debt, also on the same day. She paid an amount of Rs. 100/- as water and electricity charges and Rs. 120/- as monthly salary of the servant on June 2. She purchased some articles worth Rs. 180/- and paid Rs. 240/- to milk seller on June 4. She disbursed an amount of Rs. 132/- to the butcher and Rs. 48/- for school fees of the children on June 10. She paid vegetable bill amount to Rs. 85/- and that of dhobi amounting to Rs. 10/- on June 12. Nasim Akhtar received Rs. 100/- as tution fee from one of her wards on June 15. She purchased some garments worth Rs. 96/- and a pair of shoes worth Rs. 82/- the same day. She received Rs. 7/-**

from the sale of old newspapers on June 20, purchased miscellaneous articles worth Rs. 32 - the same day. She paid wood seller's bill amounting to Rs. 95/- and Rs 18/- towards repair of the fan on June 25. She purchased bottles of syrup worth Rs. 46/- a bush-shirt worth Rs. 78/-, pair of trousers worth Rs. 90/- and ghee worth Rs. 23/- the same day. She spent Rs. 114/- on the entertainment of her sister-in-law and her children, who visited her on June 28. Prepare Day Book of Nasim Akhtar's income and expenditure.

6. Prepare Nasim Akhtar's cash book for the month of May. 1982 with the help of day book prepared in response to question No. 5 above.
7. Details of income and expenditure of Sarwari Begum for the month of May, 1982 are given below :

May 1. Cash in hand Rs. 25/-. She received her husband's salary amounting to Rs. 800/-.

May 2. She deposited Rs. 250/- in the bank. She cleared the Grocer's bill amounting to Rs. 75/- and milk seller's bill amounting to Rs. 15/-.

May 3. She paid her servant's salary amounting to Rs. 56/- and purchased articles of food worth Rs. 370/-.

May 4. She paid baker's bill amounting to Rs. 37/- and newspaper hawker's bill amounting to Rs. 11/-. She received Rs. 185/- as rent of her husband's property.

May 9. She purchased crockery worth Rs. 60/- and remitted Rs. 15/- towards payment of electricity charges.

May 15. She purchased cloth worth Rs. 65/- and withdraw Rs. 115/- from the bank.

May 21. She paid Rs. 15/- to the washerman and Rs. 20/- to the tailor as their charges. She purchased miscellaneous articles worth Rs. 50/- and paid Rs. 25/- to the wood seller.

8. **Prepare Sarwari Begum's Cash Book for the month of May with the help of Day Book prepared in response to question No. 7 above.**

9. **Study the Cash Book given below carefully and answer the questions given at the end of the cash book.**

Date	Particulars of income	Amount Rs.	Date	Particulars of Expenditure	Amount Rs.
June			June		
1	B.F. from previous month.	70.00	1	Purchase of ration	250.00
	By monthly	685.00		Purchase of firewood.	75.00
	By rent of shop	15.00		Purchase of Misc. articles.	130.00
				Purchase of ghee.	50.00
4	Sale proceeds of unserviceable utensils	80.00	5	To school fee of children.	55.00
				To washerman.	50.00
11	By tution fee	100.00	6	Loan to Barkat	50.00
			10	Sewing charges of tailor.	45.50
26	By repayment of amount loaned to Barkat.	50.00		Purchase of ration.	75.00
				Purchase of crockery.	95.00

			29	Purchase of garments.	90.00
				Total :	940.00
				Balance in hand	110.00
	Total :	1,050,00		Grand Total	1,050,00

QUESTIONS

1. **When was the rent of the shop received ?**
2. **What articles were purchased on June 1 and how much money was spent on their purchase ?**
3. **What amount was incurred on June 16 ?**
4. **After how many days did Barkat return the loan ?**
5. **When did Miss Zainab receive tuition fee from her ward ?**
6. **State the cash in hand in the beginning and at the end of the month.**
7. **On what dates was ration purchased and for how much ?**

10. Prepare Cash Books with the help of Day Books given below and find out balance in hand in each case.

A.

Date June 1982	Items of income and expenditure	Amount Rs.
1	B.F. from previous month	250.00
	By monthly salary	1,350.00
5	To School fees of children	90.00
	To rent of the house	350.00
	To water and electricity charges	70.00
	To SUI-GAS bill	55.00
6	Cash purchase of miscellaneous articles	145.00
	To milk seller bill	180.00
	Remitted to the child for defraying college expenses	220.00

8	To cloth merchant's bill	135.00
	To sewing charges of the tailor	110.00
9	By travelling allowance	145.00
	Purchase of shoes for children	140.00
	To vegetable seller's bill	45.00
25	Purchase of miscellaneous articles	55.00

B.

Date June, 1973	Items of income and expenditure	Amount Rs.
1	B.F. from previous month	83.00
	By monthly salary	850.00
4	To rent of the house	250.00
	To water and electricity charges	38.00
5	Purchase of essential articles	185.00
	To repayment of loan taken from Salamat Begum	150.00
10	From Ghulam Rasul, Clerk, as loan	50.00
	Purchase of medicines	13.00
	Miscellaneous expenses	115.00
12	Withdrawn from Post Office account	35.00
	Purchase of essential articles	135.00
20	By remuneration for an article	123.00
	Repayment of loan taken from Ghulam Rasul	50.00
	Payment made to the dry cleaner	20.00
29	Purchase of Postal Certificate	100.00

C.

Date May, 1973	Items of income and expenditure	Amount Rs.
1	B.F. from previous month	35.00
	Salary (Mr. Zafar Ali)	750.00
4	Purchase of essential articles	300.00
	Purchase of books for children	10.00

5	To M/S M. Jan's bill	75.00
	To M/S Peshawar Cloth House's bill	56.00
	To school fees of children	25.00
	To entertainment of guests	15.00
7	To salaries of servants	150.00
15	By travelling allowance	84.00
	Payment of Motor repair charges	35.00
26	Purchase of essential articles	35.00

11. Nasir Begum had Rs.115/- cash in hand on Nov. 1. Her husband gave her Rs.850/- out of his salary on November 2. She incurred expenditure on the following articles during the month. Prepare the cash book.

Nov. 5. Ration Rs. 125/- ghee Rs. 56/-, firewood Rs. 52/-, pulses Rs. 35/-, sugar Rs. 35/-, and spices Rs. 12/-.

Nov. 6. Sweets for the children Rs. 10/-, soap Rs. 50/- and rice Rs. 30/-.

Nov. 7. Payment of meat seller's bill amounting to Rs. 127/-, that of vegetable seller amounting to Rs. 65/-, and that of milk seller amounting to Rs. 125/-.

Nov. 12. Ration Rs. 50/-, sugar Rs. 20/- payment to washer-man Rs. 30/-, payment of electricity bill Rs. 19/-.

Nov. 19. Ration—Rs. 15/-, sugar—Rs. 12/-.

Nov. 26. Ration—Rs. 15/-, sugar Rs. 12/-

Nov. 28. Firewood Rs. 25/-, ghee Rs. 26/.

Stock Book.

There are two kinds of articles : articles which are consumed daily, e.g. milk, vegetable, butter, meat, etc. and articles which take longer time to be consumed, e.g. flour, sugar, ghee, firewood etc. Some poorer families purchase and consume both kinds of articles daily. Middle class families purchase some articles once a month and use them daily. Wealthier people stockpile wheat, firewood, etc. for the whole year. It is, therefore, necessary to keep an account of articles purchased.

One of the objects of keeping household accounts is to enable a family to lead a respectable life within limited sources of its income. This is possible only if we exercise sufficient care in the purchase and use of various articles. Increase in the expenditure of a family does not always signify higher standard of living. Sometimes expenditure increases because members of the family do not exercise care in the purchase of articles and consume more than they should. Standard of living rises with increase in the sources of income. Increase in expenditure is justified if it is due to higher standard of living or increase in the number of members of the family. Otherwise, the family, which is careless in the purchase and use of articles, must come to grief.

Purchase and consumption of articles cannot be checked nor rise or fall in the standard of living assessed unless a register containing details of the articles purchased and utilized is maintained. Such a register is called Stock Book.

There are many advantages of keeping a Stock Book. A Stock Book enables us to estimate quantities of essential commodities a family may require for the year.

Market rates are never stable. They continue rising and falling. Increase in production causes decline in the rates of an article. If we know our requirements of an article or a commodity, we shall be able to purchase it at competative rates and affect some saving in expenditure.

In wealthier households commodities are purchased in large quantities and issued to servants at intervals. A Stock Book enables a housewife to exercise control over the servants and avoid pilferage and leakage of stores.

Businessmen purchase a variety of stores in huge quantities. If they did not keep an account of the stores, they might suffer losses. Government offices also purchase a large number of articles in large quantities. The only check on pilferage or leakage of these stores is a stock register.

Now we shall explain various aspects of the stock register with examples :

Example : Suppose a household purchased the following articles during the month of May, 1975 :

May 1. Firewood 80 kg., common salt 1 kg. match box 12, soap cakes 6.
May 2. Flour 10 kg. maida 2 kg., ghee 2 kg., rice 5 kg., oil 2 litre ; sugar 2 kg. Basin 2 kg., suji 1 kg.
May 8. Flour 10 kg., rice 3 kg., sugar 1 kg.
May 15. Firewood 12 kg., flour 10 kg., pulses 3 kg., ghee 2 kg.
May 22. Flour 10 kg., rice 2 kg., sugar 1 kg., pulses 1 kg , soap cakes 2.
May 29. Flour 10 kg., rice 2 kg., sugar 1 kg., common salt ½ kg.

Let us transfer these articles to the stock register. It must be remembered that only those articles are registered, which can be stored. Articles like milk, meat, vegetables, etc. cannot be written in the stock register.

Stores Accounts for May, **1982**

Date	Flour	Rice	Sugar	Pulses	Ghee	Suji/ Maida	Basin	Common Salt	Match Boxes	Fire-wood	Soap cakes	Oil
May												
1								1kg.	12	80kg.	6	
2	10kg.	5kg.			2kg.	1+2kg.	2kg.					2 litre
8	10kg.	3kg.	2kg.									
15	10kg.		1kg.	3kg.	2kg.					120kg.		
22	10kg.	2kg.	1kg.	1kg.							2	
29	10kg.	2kg.	1kg.					0.5kg.				
Total:	50kg.	12kg.	5kg.	4kg.	4kg.	3kg.	2kg.	1.5kg.	12	200kg.	8	2 litre

Totals of the previous page must be brought forward while making entries for a month so that the housewife is able to find out stock position of the various articles during the year. Housewives should also decide for themselves when the year should begin. First April should be the best time for the year to begin for a zamindar housewife, as this is the time for the new crop to come in. Official calendar should suit the office employees.

Example : Let us suppose our calendar begins on April 1. We should, therefore, bring forward totals of the month of April while compiling stock register for the month of May. Similarly totals on the months of April and May shall be brought forward at the time of making entries for the month of June, and so on.

Suppose the stock position during the month of April was :

Flour 40 kg. Rice 10 kg. Sugar 3 kg. Ghee 4 kg. Suji/Maida 2 kg. Pulses 4 kg. Firewood 200 kg. Salt 1.5 kg. Match boxes 10, Soap cakes 6, Oil 2 litre.

Let us now prepare a revised stock register.

Stores Account

Date	Flour	Rice	Sugar	Ghee	Oil	Suji/ Maida	Pulses	Common Salt	Match Boxes	Fire-wood	Soap Cakes	Basin
Previous Total	40kg	10kg	3kg	4kg	2 litre	2kg	4kg	1.5kg	10	200kg	6	—
May 1								1kg	12	80kg	6	
May 2	10kg	5kg	2kg	2kg	21 litre							2kg
May 8	10kg	3kg	1kg			2+1kg						
May 15	10kg			2kg			3kg			120kg		
May 22	10kg	2kg	1kg				1kg					
May 29	10kg	2kg	1kg					.5kg			2	
Total for May	50kg	12kg	5kg	4kg	21 litre	3kg	4kg	1.5kg	12	200kg	8	2kg
Grand Total :	90kg	22kg	8kg	8kg	4 litre	5kg	8kg	3kg	22	400kg	14	2kg

Annual Stock :

This method enables us not only to find out monthly but also annual stock position of the various commodities. Stock register is given overleaf.

Stores Accounts for the Year 1982

Month	Flour	Rice	Sugar	Ghee	Gur	Pulses	Common Salt	Firewood	Coal	Basin	Maida /Suji	Match Boxes	Soap cakes	Remarks
	Q-kg	kg	kg	kg	kg	kg	kg	Q.-kg	kg	kg	kg	No.	No.	
April	1-10	3	3	4	1	4	1½	5-0		1	2	8	6	
May	1—10	5	4	4	1	4	1½	4-0		1	2	6	6	
June	1 - 10	5	5	4		4	1	4-0		1	2	6	8	
July	1—10	5	5	4		4	1½	4- 0			1	8	8	
August	1—10	3	5	4		4	1	4—0			1	6	8	
September	1—10	5	5	4		4	1½	4-0		1		6	8	
October	1—10	5	4	5	1	4	1½	5-0		1	1	6	7	
November	1—10	3	4	5	1	4	1	5- 0	0—20		1	6	6	
December	1—10	3	5	5	2	4	1	6-0	0—20		1	6	5	
January	1—10	3	4	5	2	4	1½	6-0	0-20		1	6	5	
February	1—10	3	4	4	2	4	1	6—0	0-20		1	6	5	
March	1—10	3	4	5	2	4	1	5—0			1	6	5	
Total :	13-0	46	52	53	12	48	15	58-0	0-80	5	14	76	77	

Study of the annual stores account shows that expenditure incurred by the family is quite balanced. The family consumed 13 quintals of wheat flour and 46 kilograms of rice, which comes to roughly 4 kilograms a month. It used more soap cakes in summer and more firewood and coal in winter. So the articles consumed at various times and the expenditure incurred on these was quite in keeping with their requirements.

Advantages :

The family is able to find out its requirements of various commodities for the next year. Ten percent increase in the present consumption can take care of the expected guests during the next year. If permanent income of the family is less than the expected expenditure, it will take steps to increase its income well in time, so that a balance could be struck between income and expenditure.

Purchase and consumption of stores :

Some families place articles of daily use in the charge of servants. The housewife issues these articles to the servants concerned once or twice a week, and keeps account of the stores accordingly.

Example. Suppose Begum Ahmad Ali had 1 quintal and 50 kilograms of wheat flour in stock on May, 1982. It was issued to the cook in the following manner :

May 1	25 kg.
May 4	25 kg.
May 7	20 kg.
May 10	15 kg.
May 13	20 kg.
May 16	15 kg.
May 19	15 kg.

60 kilograms of wheat flour was purchased on May 20 and issued to the servant according to the following schedule :

May 22	20 kg.
May 25	15 kg.
May 28	15 kg.

Account of wheat flour will be kept in the stock book in the following manner.

Account of wheat flour for May, 1982

Date	Receipt	Issue	Balance	Remarks
May	Q—kg	Q—kg	Q—kg	
1	1—50	0—25	1—25	Guests
4		0—25	1—0	
7		0—20	0—80	Guests
10		0—15	0—65	
13		0—20	0—45	Guests
16		0 - 15	0—30	
19		0—15	0—15	
20	0—60		0—75	
22		0—20	0—55	Guests
25		0—15	0—40	
28		0—15	0—25	
Total:	2—10	1—85	0—25	

Method of making entries in the stock book.

The example given above shows that Begum Ahmad Ali had 1 quintal and 50 kilograms of flour in stock on May 1. The entry was made in the 'receipt' column. 25 kilograms of flour issued to the servant. This entry was made in the 'issue' column. The remainder of flour was entered in the 'balance' column. These entries were made in appropriate columns whenever flour was purchased or issued to the servant.

The stock book shows that the family consumed 1 quintal and 85 kilograms of flour during the month. They consumed more than the expected quantity on account of the frequent visits of guests. That is why 60 kilograms of flour had to be purchased on May 20. The balance of 25 kilograms of flour will be brought forward to the account for the month of June, 1982.

Account of more than one article.

Method of keeping account of flour was explained in the foregoing examples. Account of more than one articles, e.g. sugar, rice, firewood, coal etc. can also be kept on one single page.

Example. Sakina Begum had the following articles in the stock on April 1, 1982. She made further purchases and issued articles to the servants according to the following schedule. Prepare an account of the stores for the month of April, 1982.

Balance in hand on April 1 :

Flour	20 kg	Rice	10 kg
Sugar	5 kg	Pulses	5 kg
Ghee	2 kg		

April 3 :
Purchases made.

Flour 1 Q. 60 kg
Rice 5 kg
Sugar 2 kg
Ghee 3 kg
Firewood 2 Q. 40 kg

Issued to the servant

Flour 15 kg
Sugar 1 kg
Firewood 40 kg
Rice 2 kg
Ghee 1 kg

April 5 :
Issued to the servant.

Flour 15 kg
Rice 2 kg
Sugar 1 kg
Pulses 1 kg

April 6 :
Purchases made.

Sugar 2 kg
Ghee 3 kg
Firewood 40 kg

April 8 :
Issued to the servant.

Flour 15 kg
Sugar 1 kg
Ghee 1 kg

April 11 :
Issued to the servant.

Flour 30 kg
Ghee 1 kg
Firewood 40 kg

April 17 :
Issued to the servant.

Flour 30 kg
Rice 2 kg
Sugar 1 kg
Ghee 2 kg
Firewood 40 kg

April 23 :

Issued to the servant.

Flour 30 kg , Rice 2 kg
Sugar 1 kg , Firewood 40 kg

April 28 :

Issued to the servant.

Flour 15 kg , Sugar 1 kg

Solution. Stock Register contains one column for date and seven columns for flour, rice, sugar, pulses, ghee, firewood and remarks.

Account of Stores for rural women

Zamindar families do not purchase some commodities from the market. They stock articles for the whole year at the time of the crop. More skillful and discreet women keep an account of these commodities and face no difficulty during the year. Careless women on the other hand, use the commodities without any planning and cause trouble for the whole family. It would, therefore, be advisable to stock commodities according to the estimated consumption in the family and then to draw monthly or weekly requirements from this stock.

Example : Rabiya Bibi had 80 kilograms of grain and 40 kilograms of Gur in stock on April 1, 1975.

She stored 2 metric ton, 2 quintal and 40 kilograms of grains at the time of the crop on April 18, 1975.

Her family consumes 3 kilograms of grain per day and 1 kilogram of gur every week. They consumed 1 kilogram of gur on April 2, also. Prepare the stock register. (see page 36).

ACCOUNT OF STORES FOR THE MONTH OF APRIL, 1982

	Flour			Rice			Sugar			Pulses			Ghee			Firewood			Remarks
Date	Receipt Q-Kg	Issue Q-Kg	Balance Q-Kg	R Kg	I Kg	B Kg	R Kg	I Kg	B Kg	R Kg	I Kg	B Kg	R Kg	I Kg	B Kg	R Q-Kg	I Q-Kg	B Q-Kg	
Balance on April																			
1	0—25		0—25	10		10	5		5	5		5	2		2				
3	1—60	0–15	1—70	5	2	13	2	1	6				3	1	4	2—40	0—40	2—0	
5		0–15	1—55		2	11		1	5		1	4			4			2—0	
6			1—55			11	2		7			4	3		7	0—40		2—40	
8		0–15	1—40			11		1	6			4		1	6			2—40	
11		0–30	1—10			11			6			4		1	5		0—40	2—0	
17		0—30	0—80		2	9		1	5			4		2	3		0—40	1—60	
23		0—30	0—50		2	7		1	4			4			3		9–40	1—20	
28		0–15	0–35			7		1	3			4			3			1—20	
Total	1—85	1—30	0—35	15	8	7	9	6	3	5	1	4	8	5	3	2—80	1—60	1—20	

Stores Account of Rabiya Bibi for April, 1982

Date	Grain			Gur			Remarks
	Receipt Mt-Q-Kg	Issue Q-Kg	Balance Mt-Q-Kg	Receipt Q-Kg	Issue Q-Kg	Balance Q-Kg	
Balance on April							
1	0—0—80		0—0-80	0—40		0—40	2 metric ton, 1 quintal and 40 kilograms of grain was stored for family use at the time of the crop.
2		0-6	0—0—74		0—1	0—39	
9		0—21	0-0—53		0—1	0—38	
16		0—21	0-0—32		0—1	0—37	
18	2—2-40		2—0—72			0—37	
23		0—21	2—2—61		0—1	0—36	
30		0-21	2—2—30		0—1	0—35	
	2—3—20	0—90	2—2—30	0—40	0—5	0—35	

Annual Store Account of Rabiya Bibi can be easily prepared with the help of monthly consumption of the two commodities :

Store Account of Rabiya Bibi for the Year 1981—1982

Date	Grain			Gur			Remarks
	Receipt Mt-Q-Kg	Issue Q-Kg	Balance Mt-Q-Kg	Receipt Q-Kg	Issue Q-Kg	Balance Q-Kg	
Balance in hand	0—0—80		0—0—80	0—40		0—40	20 Kilograms of gur was borrowed in November. After the crop 80 kilograms of gur was retained for domestic use and 20 kilograms was returned to the person from whom it had been borrowed in November.
April	2—2—40	1—06	2—2—14		0—05	0—35	
May		1—10	2—1—04		0—06	0—29	
June		1—10	1—9—84		0—08	0—21	
July		1—05	1—8—79		0—06	0—15	
August		1—10	1—7—69		0—05	0—10	
September		1—10	1—6—59		0—04	0—06	
October		1—10	1—5—49		0—05	0—01	
November		2—00	1—3—49	0—20	0—12	0—09	
December		1—10	1—2—39		0—06	0—03	
January		1—10	1—1—29	0—80	0—26	0—57	
February		1—10	1—0—19		0—06	0—51	
March		9—10	0—1—09		0—05	0—46	
Total	2—3—20	2-2.11	0—1—09	1—40	0—94	0—46	

Property Account

We have so far discussed about such articles which are regularly consumed by the family. The account of these articles helps to keep our daily expenditure under control. There are certain articles, however, which last longer than these e.g. ornaments, utensils, sofa set, etc An average house has articles of furniture, ornaments, utensils, etc. as movable property. It is advisable to keep an account of these articles also. It can prove useful at the time of division of assets. Different pages of the register should be utilized for different kinds of articles, e. g. one page should be reserved for ornaments, one for utensils and yet another for articles of furniture. A separate page should be used for miscellaneous articles. The whole property should not be lumped together on the same page.

In the following pages we give some charts, which will serve as specimens of property account. A family can frame its own charts according to its needs.

Property Register

A. Kind of Property : Ornaments : Name of Owner :

Serial No.	Name of Article	Date of acquisition	Mode of acquisition	Weight	Price Rupees	Present condition	Disposal	Remarks
1.	A pair of golden bracelets set with jewels	May 5, 1982	Prepared on Order	7 Decagram	10,500.00			Price of Jewel Rs. 95.00 Labour charges Rs. 28.00
2.	Six golden bangles set with jewels	May 5, 1982	Prepared on Order	6 Decagram	9,000.00			
3.	Golden Necklace set with jewels	May 5, 1982	Prepared on Order	5 Decagram	7,500.00			
4.	Two golden rings set with jewels	May 5, 1982	Prepared on Order	1 Decagram	1,500.00			
5.	Golden watch	June 7, 1982	Purchased		1,450.00			

Property Register

B. Kind of Property : Utensils Name of Owner

Serial No.	Name of articles	No. of Articles	Date of Acquisition	Mode of acquisition	Price Rupees	Present condition Disposal	Remarks
1.	Cooking pot (copper)	3	May, 1982	Purchased	324.00		
2.	Small Cooking pot (copper)	4	,,	,,	248.00		
3.	Plates (copper)	12	,,	,,	48.00		
4.	Lota (copper)	2	,,	,,	45.00		
5.	Frying Pan (copper)	1	July, 1982	,,	20.00		
6.	Tumblers (Muradabadi)	6	,,	,,	60.00		
7.	Copper bowl	$2\frac{3}{8}$	,,	,,	12.00		
8.	Ladle	2	,, 1982	,,	06.00		
9.	Dinner Set	1 set	August, 1982	,,	2,200.00		
10.	Tea Set	3	Sept. 1982	,,	628.00		

Property Stock Register

C. Kind of Property : Furniture

Name of owner :

Serial No.	Name of Article	No. of acquisition	Date of acquisition	Mode of acquisition	Price Rupees	Present condition	Remarks
1.	Sofa Set	1 set	Jan. 1982	Purchased	2,550.00		
2.	Sofa Set (ladies)	1 set	,,	,,	2,150.00		
3.	Easy Chairs	6	,,	,,	250.00		
4.	Dining Table	1	,,	,,	625.00		
5.	Dining Chairs	6	,,	,,	700 00		
6.	Garden Chairs	6	Feb. 1982	Prepared on order	425 00		
7.	Looking Glass	1	,,	Purchased	335.00		
8.	Carpet	1	,,	,,	2,500.00		
9.	Table Fan	2	May, 1982	,,	500.00		
10.	Ceiling Fan	6	,,	,,	1,875.00		
11.	Bed (Nowari)	4	,,	Prepared on order	1,720.00		
12.	Cabinet	1	Jan. 1982	Prepared on order	1,000.00		

Property Stock Register

D—Kind of Property : Miscellaneous Name of Owner

Sr. No.	Name of Article	No. of articles	Date of acquisition	Mode of acquisition	Price Rupees
1.	Sewing machine (Sartaj)	1	May, 1981	Purchased	750.00
2.	Bicycle	1	,,	,,	825.00
3.	Steel Cabinet	1	July, 1982	,,	1,125.00
4.	Clock	1	Aug. 1982	,,	550.00

Personal Library.

Members of some families are cultured and highly educated. A sizeable part of their income is spent on the purchase of books. It is, therefore, imperative for housewives of such houses to maintain a regular property register for their libraries. They should consult Library register and maintain on like that. Books should be arranged subject-wise and author-wise. Let us take the case of books pertaining to Urdu literature. They include verse, prose, novels, criticism, travelogues, short stories, etc. All these books should be properly arranged and registered.

Register Library :

A—Poetry Name of Owner : Zubaida Khatoon

Sr. No.	Name of the Book	Name of the Author	Publisher	No. of copies	Price Rupees	Date of Purchase
1.	Bang-e-Dara	Dr. M. Iqbal	Gosha-i-Adab	1	24.00	May, 20 1981
2	Bal-i-Jibreel	,,	Adabistan	1	30.00	,,
3.	Zarb-i-Kaleem	,,	,,	1	32.00	,,
4.	Zahoor-i-Ajam	,,	Panjnad Printers	1	25.00	,,

Books on all subjects should be arranged and registered in same way :

QUESTIONS

1. **What is a Stock Book ? Why it is necessary to keep an account of the stock. Give arguments ?**
2. **Niaz Bibi had 5 kilograms of flour on July 1. She purchased flour three times during the month : 20 kilograms on July 2, 30 kilogram on July 9, and 40 kilograms on July 20. Daily consumption of flour in her house amounted to 3 kilograms.**

She issued flour to the servant on the following dates :

July 2 — 10 kg,
July 5 — 10 kg,
July 9 — 10 kg,
July 12 — 10 kg,
July 15 — 10 kg,
July 18 — 10 kg,
July 21 — 10 kg,
July 24 — 15 kg,
July 29 — 10 kg,

Prepare stock account of the flour belonging to Niaz Bibi.

3. Safia Begum purchased 5 kilograms of ghee in the beginning of the month. The consumption of ghee in her house amounts approximately to 2-hectograms a day. Ghee was issued to the servant according to the following schedule :

1.25 kilograms on Ist, 8th and 15th of the month.

1.5 kilogram on 22nd of the month.

Prepare stock account of ghee belonging to Safia Begum.

4. Begum Abdul Aziz had the following articles in stock on April 1. She purchased more of the articles and consumed them on the dates mentioned against them. Prepare the stock account of the articles and find out the balance at the end of the month.

April 1 - Articles in stock.

Flour — 5 kg
Rice — 3 kg
Ghee — 1 kg
Sugar — 1 kg
Firewood — 20 kg

April 2 - articles purchased :

Flour —	80 kg	Fire wood	2q. 40 kg
Rice —	5 kg	Sugar	5 kg
Ghee —	5 kg		

April 2 - Articles issued to the servant

Flour	20 kg	Ghee —	1 kg
Rice	2 kg	Firewood —	40 kg
Sugar	2 kg		

April 5 - Articles issued to the servant

Flour	20 kg	Sugar	1 kg
Rice	1 kg	Firewood	20 kg
Ghee	1 kg		

April 8 - Articles issued to the servant

Flour	15 kg	Sugar	1 kg
Rice	1 kg	Firewood	40 kg
Ghee	1 kg		

April - 11 Articles issued to the servant

Flour	15 kg	Sugar	½ kg
Rice	1 kg	Firewood	20 kg
Ghee	½ kg		

April - 14 Articles Purchased :

Flour	80 kg	Sugar	4 kg
Rice	15 kg	Firewood	10 kg
Ghee	3 kg		

April 14 - Articles issued to the servant

Flour	20 kg	Sugar	1 kg
Rice	2 kg	Ghee	2 kg

April 18 - Articles issued to the servant

Flour	20 kg	Sugar	1 kg
Rice	2 kg	Firewood	40 kg
Ghee	1 kg		

April 25 - Articles issued to the servant

Firewood	40 kg

April 27 - Articles issued to the servant

Flour	15 kg	Ghee	1 kg

Rice	1 kg	Sugar	1 kg

5. Prepare stock account of fodder, etc., of Chaudhry Umeed Ali's animals :

July 1 - Opening Balance :

Gram	40 kg	Common Salt	1 kg
Bran	20 kg		

July 1 - Articles Purchased :

Gram	4 Q	Common salt	10 kg
Bran	6 Q	Oil cake	10 kg

July 1 - Articles issued to Fazal Din, servant :

Gram	40 kg	Common salt	2 kg
Bran	80 kg	Oil cake	5 kg

July 5 - Articles issued to Fazal Din :

Gram	40 kg	Common salt	2 kg
Bran	60 kg		

Green fodder was also given to the cattle.

July 10 - Articles issued to Fazal Din

Gram	40 kg	Common salt	2 kg
Bran	60 kg		

Green fodder provided from the fields.

July 15 - Articles issued to Fazal Din

Gram	40 kg	Common salt	1 kg
Bran	60 kg		

Green fodder provided from the fields.

July 20 - Articles issued to Fazal Din

Gram	40 kg	Common salt	1 kg
Bran	80 kg	Oil cakes	5 kg

July 25 - Articles issued to Fazal Din

Gram	40 kg	Common salt	1 kg
Bran	80 kg		

July 30 - Articles issued to Fazal Din

Gram	40 kg	Common salt	1 kg
Bran	80 kg		

6. Rani Shaukat Ara had 5 kilograms of flour and 1 kilogram of ghee as opening balance on June 1. The following articles were purchased and consumed during the month. Prepare the stock account.

June 1- Articles purchased :

Flour	80 kg	Firewood	2Q
Ghee	5 kg	Rice	6 kg
Sugar	10 kg	Pulses	4 kg

June 1 - Articles issued to the servant

Flour	20 kg	Firewood	40 kg
Ghee	1 kg	Rice	2 kg
Sugar	2 kg	Pulses	1 kg

June 6 - Articles issued to the servant

Flour	20 kg	Firewood	40 kg
Ghee	1 kg	Rice	1 kg
Sugar	1 kg	Pulses	1 kg

June 11 - Articles issued to the servant

Flour	20 kg	Firewood	40 kg
Ghee	1 kg	Rice	1.5 kg
Sugar	1 kg	Pulses	1 kg

June 16 - Articles issued to the servant

Flour	20 kg	Firewood	40 kg
Ghee	1 kg	Rice	1.5 kg
Sugar	1 kg	Pulses	1 kg

June 20 - Articles purchased

Ghee	2 kg	Rice	2 kg
Flour	50 kg		

June 21 - Articles issued to the servant

Flour	20 kg	Firewood	40 kg
Ghee	1 kg	Rice	1 kg
Sugar	1 kg		

June 26 - Articles issued to the servant

Flour	20 kg	Firewood	40 kg

Ghee	1 kg	Rice	1 kg
Sugar	1 kg		

7. Sheikh Murad Bakhsh had closing balance of 5 kilograms of flour, 1 kilogram of sugar and 2 kilograms of rice on October 31. Prepare stock account for the month of November and find out closing balance on November 30.

Nov. 1 - Articles purchased :

Flour	80 kg	Firewood	2 Q 40 kg
Ghee	5 kg	Coal	40 kg
Sugar	10 kg		

Nov. 1 - Articles issued to the Cook

Flour	20 kg	Firewood	40 kg
Ghee	2 kg	Coal	5 kg
Sugar	2 kg		

Nov. 8 - Articles issued to the Cook

Flour	20 kg	Firewood	40 kg
Ghee	5 kg	Coal	5 kg
Sugar	1.5 kg		

Nov. 15 - Articles issued to the Cook

Flour	20 kg	Firewood	40 kg
Ghee	1 kg	Coal	5 kg
Sugar	1.5 kg		

Nov. 16 - Articles purchased :

Flour	80 kg	Ghee	3 kg

Nov. 18 - Articles issued to the Cook

Ghee	1 kg	Sugar	1kg

Nov. 22 - Articles issued to the Cook

Flour	20 kg	Firewood	40 kg
Sugar	2 kg	Coal	7 kg
Ghee	2 kg		

Nov. 29 - Article issued to the Cook :

Flour	20 kg	Firewood	40 kg

Ghee	1 kg	Coal	3 kg
Sugar	1 kg		

8. Fazlan Bibi had opening balance of 40 kilograms of grain and 20 kilograms of gur on April 1. She obtained 1.5 metric tons of grain from the fields of her husband on April 15. Weekly consumption of the articles is given below : Prepare the stock account :

April 1	grain	20 kg,	gur	1 kg
April 8	grain	20 kg,	gur	1.5 kg
April 15	grain	20 kg,	gur	1 kg
April 22	grain	20 kg,	gur	1 kg
April 29	grain	20 kg,	gur	1 kg

9. Closing balance of articles of stationery on March 31 is given below :

Paper	15 sheets	Pens	4
Nibs	12	Coloured chalk	12

The following articles were purchased and issued to the children during the month of April. Prepare stock of stationery and find out closing balance on April 30.

April 1 - Articles issued to children

Paper	4 sheets	Pens	2
Nib	3	Coloured Chalk	6

April 6 - Articles issued to Children

Paper	6 sheets	Pens	2
Nibs	3	Coloured chalk	3

April 11 - Articles issued to Children

Paper	5 sheets	Pen	2
Nib	2	Coloured chalk	3

April 14 - Articles purchased :

Paper	24 sheets	Pencils	4
Nib	12	Coloured chalk	4
Pens	6		

April 18 - Articles issued to Children

Paper	4 sheet	Pen	1
Nib	2	Coloured chalk	6
Pencil	2		

April 21 - Articles issued to children

Paper	6 sheets	Pen	2
Nib	4	Coloured chalk	3

April 26 - Articles issued to children

Paper	6 sheets	Pen	1
Nib	1	Coloured chalk	2

10. Amtus-Salam has the following articles of furniture in her house : Chairs 4 worth Rs. 120/-, table 1 worth Rs. 120/-, Darees 3 worth Rs. 126/-, Jaenamaz 2 worth Rs. 46/-, tripods 2 worth Rs. 140/-, Stools 2 worth Rs. 5/-, and table lamp 1 worth Rs. 3/.

Make entries in the property register.

11. Bilqis Begum got the following ornaments prepared. She purchased gold at the rate of Rs. 350/- per decagram and paid Rs. 14/- per decagram as labour charges. Prepare the account.

Bangles 4 weighing 6 decagrams with a nagina worth Rs. 5/-, necklace weighing 5 decagrams with a nagina worth Rs. 75/-, rings 2 weighing 1 decagram with a nagina worth Rs. 25/-, and ear-ring weighing 2 decagrams.

12 - A family had opening balance of 80 kilograms of grain, 50 kilograms of gur, 25 kilograms of rice, and 10 kilograms of pulses. At the time of crop the family received 1 metric ton and 6 quintals of wheat in April, 4 quintals of rice in November, 80 kilograms of pulses in June. Average monthly consumption amounts to 1 quintal and 40 kilograms of wheat, 15 kilograms of

rice, 5 kilograms of pulses, and 2 kilograms of gur. During June and July it consumed 2 kilograms of gur more than the usual monthly consumption. During October and November it consumed 20 kilograms of wheat and 2 kilograms of pulses more than the usual monthly consumption. Prepare stock account and find out closing balance of the articles at the end of the year.

CHAPTER II

Budget :

There are two sides to the economy of a family, income and expenditure. Similar is the case with a school, farm, committee, district board, public institution, country and State. No institution, school, country or State can be administered on the right lines unless the two sides of the scale i.e. income and expenditure are balanced. Budget is, therefore, a well thought out plan, according to which we try to strike a balance between income and expenditure. The aim of family budget is to propose after thorough consideration plans to adjust expenditure to income in such a manner that the former does not exceed the latter without jeopardizing essential items connected with the health, education and social standard of the family. This is possible only if we keep accounts of the family in order.

A housewife must take into account sources of income of her family while preparing the family budget. The income of some families is fixed e.g. that of private and public servants. The income of other families is flexible e.g. that of labourers, lawyers, physicians and shopkeepers. Average income of these families can also be worked out if accounts of income for two or three years are available. In so far as expenditure is concerned, it is generally incurred on :

(i) food ; (ii) Clothes ; (iii) house rent ; (iv) salaries of servants (v) water and electricity ; (vi) fire-wood and coal ; (vii) education ; (viii) health ; (ix) entertainment (x) travelling ; and miscellaneous items. Expenditure can be divided into five main categories.

(1) Necessities ; (2) Comforts ; (3) education ; (4) luxuries ; and (5) unforeseen expenses. Necessities include food, clothes, house rent, health, etc. comforts include fan, bicycle, etc. and luxuries include motor, cinema, etc.

Expenditure on food, clothes, etc. is a must for every family. Some people economise on expenditure on food and spend money lavishly on items which are intended to impress others. This is wrong use of income because good and proper food is essential for health, which in turn increases the capacity of the family to earn more. Similarly, education, entertainment and comforts are essential for uplift of the family. No family can progress without education. Health of the the family will suffer without sufficient comforts. Moreover, number of members of various families differs from each other. Means of income also differ. There is a lot of difference between rural and urban life. The budgets of various families, therefore, show a marked difference from each other.

2 - Family Budget :

It is a budget of the income and expenditure of a person or a family. It is different from the budget of a country, a state, a school and other such institutions. Family budget is a carefully prepared plan for spending money.

Objectives of Budget :

The object of preparing a budget are to have a correct estimate of income and expenditure of a family and to enable a housewife to strike a balance between the two to avoid borrowing money and to save something for bad days.

Kinds of Budget :

There are three kinds of budgets. Balanced budget is one in which expenditure equals income. A surplus budget is one in which income exceeds expenditure and some saving is affected. A deficit budget is one in which expenditure exceeds income In this case the family has either to depend on earlier savings or to find ways and means to supplement their income. It is always advisable to avoid deficit budget by curtailing avoidable expenditure.

There are number of classes in every society. It is not, therefore, possible to fix a ratio of expenditure on every item. It is all the more difficult due to frequent increase in prices of articles. Inspite of this Engel, a famous economist of Germany, has established a ratio of expenditure on various items for different classes. He arrived at these conclusions after a lot of research. These conclusions are given below :

Budget and Enge'ls Law

	Items of expenditure	Working class family		Middle class family		Well-to-do family	
Necessities	Food	62%	95%	55%	90%	50%	85%
	Clothes	16%		18%		18%	
	Rent	12%		12%		12%	
	Light & fuel	5%		5%		5%	
Comfort	Education	2%	5%	3.5%	10%	5.5%	15%
	Water	1%		2%		3%	
	Health	1%		2%		3%	
	Entertainment & Miscellaneous	1%		2.5%		3.5%	

It is evident from the figures given above that with increase in income, percentage of expenditure on necessities decreases and that of expenditure on comforts increases. Expenditure on clothes is the same in all three cases.

Method of Preparing a budget :

We must first of all consult monthly accounts of income and expenditure under various heads the last year and consolidate them in the form of annual accounts. Expenditure under various heads should then be revised according to annual income.

The family which has not maintained any accounts, shall have to calculate expenditure on different items. Let us take the case of a family consisting of five members : head of the family, his wife, two children (seven years old and three years old), and mother. Budget estimates for this family will be prepared on the following lines :

The family shall need 1/2 kilogram of flour per adult per day and 5 hectogram for two children. This comes to 2 kilograms of flour daily. Annual consumption of flour will amount to 7 quintals and 3 Mariagram. If some allowance is made for guests and relatives average consumption will be something like 8 quintals. The expenditure on this quantity of flour will amount to Rs. 480/- at the rate of Rs. 60/- per quintal. Expenditure on vegetables, etc. will be Rs. 540/- at the rate of Rs. 45/- per month. Expenditure on groceries will amount to Rs. 720/- at the rate of Rs. 60/-. per month. If the family consumes 1.5 quintals of fire-wood every month annual expenditure on fuel will amount to Rs. 450/- at the rate of Rs. 25/- per quintal. Annual expenditure on ghee will come to Rs. 432/- at the rate of Rs. 36/- per month and on milk Rs. 540/ at the rate of Rs. 45/- per month. The wife will need 4 shirts, 4 shalwars, and 4 dupattas during the year. Needs of the mother and children by way of clothes should also be estimated. In this manner, expenditure on various items should be calculated and a draft of the budget prepared. It should be revised, if necessary, to strike a balance between income and expenditure. If expenditure exceeds income, expenditure on less important items should be curtailed or means adopted to increase the income, e.g. wife could sew, clean and dye clothes of family herself, smoking could be done away with, visits to the cinema could be abandoned. The family could go to bed early and rise early to economise on electricity charges. Otherwise the husband could take up a part time job and earn more.

If a housewife has been keeping accounts of income and expenditure in respect of her family she should prepare estimates of her budgets with the help of these figures. Before doing this she should prepare annual account of income and expenditure with the help of monthly accounts she has been keeping under various heads. The annual account should not only show the expenditure incurred on an item, but also the quantity consumed during the year, so that fluctuation in prices of various commodities could be accommodated in the estimates of the budget. We should then write down the amount budgeted for an item last year and the amount actually spent during the year. The amount to be spent next year will be estimated with the help of this date in respect of every item.

Two schedules are given below :

Schedule (A) is the schedule of annual expenditure. Various items are listed in this schedule. The list can be revised according to the requirements of a family. The expenditure detailed in this schedule will be entered in the expenditure column of schedule (B).

Schedule (B) is an example of a budget. In the first column are given budget estimates for the year 1972-73. Actual expenditure incurred during the year 1972-73 is given in column two. Budget estimates prepared in the light of figures in these two columns are given in column three. They are estimates for the year 1973-74.

Schedule (A) — Account of Annual expenditure

Items.	Jan.	Feb.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Qty.	Price.	Remarks.
A—Food :															
Flour :															
Ghee															
Rice															
Milk															
Sugar															
Fuel															
Vegetable															
Meat															
Pulses															
Spices															
Oil															
Fruit															
B—Clothes															
Male															
Female															
C—House-rent															
Water & Electricity charges															
Servant's salaries															
D—Education :															
Fees															
Books															
E—Health															
F—Entertainment of guests															
Travel															
Charity															
Miscellaneous															

Schedule B—Budget Estimates for the year 1973-74

Sr. No.	Items	Actual Expenditure 1972-73	B-Estimates 1973-74
		Rupees	Rupees
1.	Flour, rice, sugar, ghee	990.00	1,000.00
2.	Vegetable, fruit	390.00	600.00
3.	Milk, curd, butter	390.00	400.00
4.	Confectionery	290.00	300.00
5.	Meat	550.00	600.00
6.	Firewood, coal, etc.	200.00	200.00
7.	Health	110.00	120.00
8.	Clothes, sewing, dyeing	502.00	300.00
9.	Quilt, bedding, etc.	85.00	100.00
10.	Washerman, soap, oil	290.00	300.00
11.	Rent, water, & electricity	2450.00	2500.00
12.	Education	500.00	500.00
13.	Insurance, tax	700.00	700.00
14.	Servants	490.00	500.00
15.	Visits, guests, marriage, funeral	450.00	500.00
16.	Entertainment	190.00	200.00
17.	Newspapers, books	140.00	150.00
18.	Travel, transport	300.00	350.00
19.	Charity, zakat	400.00	400.00
20.	Miscellaneous	460.00	480.00
	Total :	9682.00	1200.00

Per Head Expenditure

We can find out per head expenditure of the members of the family in terms of money and commodities with the help of these statistics. With the help of expenditure incurred during the previous year or years we can also find out whether the standard of living of the family is rising or not. We can do this by dividing total expenditure on an item by the number of members of the family.

A - Account of per head monthly money expenditure

Items	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Flour												
Ghee												
Milk												
Sugar												
Fuel												
Fruit												
Vegetables												
Meat												

B - Account of per head monthly expenditure (commodities)

Items	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Flour												
Ghee												
Milk												
Sugar												
Fuel												
Fruit												
Vegetables												
Meat												

Examples. We give below a few examples of budget. Prepare a budget of your own family for practical exercise.

Example I. Budget of a worker

Income. Rs. 500/- p.m.

Members of family. Husband, wife, child.

Income	Items of Expenditure	Amount in Rupees
Annual Wages 500×12 =Rs. 6000/-	Food	3,600.00
	Clothes	960.00
	House rent	720.00
	Electricity	310.00
	Entertainment, health	240.00
	Miscellaneous	170 00
Rs. 6000/-		6000.00

Note. It is a very tight budget. Actually this income cannot meet the required expenses. If, however, the worker can acquire free accommodation, he may manage bare subsistence.

Example 2. Lower middle class budget

Income Rs. 800/- p.m.

Members of family. Husband, wife, child.

Income	Items of expenditure	Amount in Rupees
Salary : 800×12 =Rs 9600/-	Food	6,000.00
Income from Part Time job : 120×12= Rs. 1440/-	Clothes	1,680.00
	House Rent	960.00
	Water & Electricity	240.00
	Education	720.00
	Health	288.00
	Entertainment	240.00

	Visits	288.00
	Miscellaneous.	384.00
	Savings	240.00
Rs. 11040/-		11040.00

Example No. 3. Upper middle class family :

Average Income : Rs. 1000/- p.m.

Members of family : Husband, wife, 4 children

Income	Items of expenditure	Amount in Rupees
Salary 1000x12 = Rs. 12,000/- Income from other sources 160x12 - Rs. 1,920/- Personal residence	Food	6,000/-
	Clothes	1,200/-
	Water & electricity	400/-
	Servants	960/-
	Education	960/-
	Health	200/-
	Entertainment	240/-
	Tax	800/-
	Insurance	1440/-
	Repairs of House	600/-
	Articles of comfort	400/-
	Miscellaneous	400/-
	Savings	320/-
Rs. 13,920/-		13,920/-

Example No. 4 : Budget of a well-to-do family

Monthly Income : Rs. 2000/-

Members of family : Husband, wife, 4 children and both the parents

Income	Items of expenditure	Amount in Rupees
Salary 2000x12 =24,000/- Rent of House 200x12 =Rs. 2,400/- Dividend or shares Rs. 200/-	Food	7200/-
	Clothes	1920/-
	Water & electricity	600/-
	Articles of comfort	1200/-
	Servants	2400/-
	Education	1000/-
	Health	200/-
	Entertainment	1200/-
	Tax	1600/-
	Insurance	1200/-
	Repairs of House	1200/-
	Miscellaneous	960/-
	Savings	5920/-
Rs. 26,600/-		26600/-

QUESTIONS

1. **What is meant by a family budget ?**
   What are the advantages of preparing a family budget ?
2. **Explain the following. :**
   (*a*) Balanced Budget (*b*) Deficit Budget (*c*) Surplus Budget
   What steps should a housewife take to balance a deficit budget ?
3. **Write a short essay on the aims and objects of preparing a budget ?**
4. **What is meant by necessities of life ?**
   Why should expenditure on necessities of life be preferred to that on luxuries ?
5. **Explain essential items of the budget. What is meant by the following :**
   (*a*) Articles of comfort (*b*) luxuries (*c*) Unforeseen expenditure
   (*d*) Expenditure on visits and guests.
6. **Suppose your father is drawing a salary of Rs 800/- p.m Prepare monthly budget of your family ?**

7. Naseem Begum has worked out the following expenditure per month on various items. Prepare her annual family budget for the year 1982.

(*i*) Food	Rs.	400/-
(*ii*) Clothes	,,	75/-
(*iii*) House Rent	,,	175/-
(*iv*) Education	,,	50/-
(*v*) Entertainment & Health	,,	100/-
(*vi*) Miscellaneous	,,	50/-
(*vii*) Savings	,,	50/-
Total	Rs.	900/-

8. Suppose you have set apart Rs. 4,000/- for the marriage of your sister. Prepare the best possible budget of the expenditure ?

9. Nasreen Akhtar incurred the following expenditure on various items during the year 1982

A. Food.	Flour, rice etc.,	Rs.	5500,00
	Meat, fish etc.	,,	1000 00
	Vegetables, fruit etc.	,,	2000 00
	Butter, milk	,,	1500 00
	Bakery Products	,,	7000.00
B. Mis.	Health	,,	4000.00
	Newspapers	,,	750.00
	Clothes	,,	1200.00
	Washerman, soap	,,	1150 00
	Servants	,,	2400.00
	Entertainment	,,	1000.00
	Education	,,	1500.00
	House rent	,,	3000.00
	Water, electricity	,,	900.00
	Insurance	,,	3600.00
	Alms	,,	1600.00
	Miscellaneous	,,	1200.00
	Total	Rs.	30.000.00

She will be drawing a monthly salary of Rs. 3000/- this year, Prepare her budget for the year.

10. Monthly salary of Mian Saleem is Rs. 450/-. He is employed in his home town. He lives up in his own house with his parents. He has a wife and two children. The elder child is studying in the 7th and the younger in 5th grade. Prepare his monthly and annual budgets ?

11. Monthly salary of a person is Rs. 275/- plus dearness allowance of Rs. 60/-. He own two houses. He lives in one of them and has the other on a rent of Rs. 46/- p.m. He receives an annual profit of Rs. 140/- from the bank on his deposits. He has to pay Rs. 120/- p.m. as property tax. He pays monthly premium of Rs. 11/- to the Insurance Company. One of his daughter is studying in the College. Monthly expenses of the College amount to Rs. 37/-. Two of his school-going children spend Rs. 20/- per head p.m. He is supporting a servant at a monthly salary of Rs. 30/-.

Prepare annual budget of such a family showing reasonable savings.

CHAPTER III

Savings and Investment :

The part of income which a housewife saves after incurring expenditure on household needs is called savings. The reasons for savings can be many. However, a housewife is well aware of the fact that sources of income may go up and expenditure on various items may vary.

Savings are, therefore, utilized for off-setting any short-fall in income or increase in expenditure. Savings depend on the following factors :

(a) Will to save.
(b) Capacity to save.

(a) *Will to save.* A housewife saves money with a view to achieve some objects and to meet some needs. These include unfavourable circumstances, education and training of children, marriage of the elder ones, higher education, need for a private residence and the desire to raise income by investing savings in business, etc.

(b) *Capacity to save.* If the circumstances of a family permit savings, the family is said to have the capacity to save. These circumstances include more income and less expenditure, and peaceful conditions in the country, which prompt people to deposit their savings in banks.

The main object of saving money is to invest it in business ventures and institutions, which bring profit to the investor so that his income is raised. Savings which remain unutilized in homes cannot be called investment. The amounts to be invested in various ventures can only be obtained from savings. A housewife can invest her savings in a variety of ways, which secure her savings and raise her income considerably. Investment of savings in profitable ventures does not only increase the income of a housewife but also accelerates the pace of economic progress of the country. Investments help in the installation of new factories and mills and building of new roads, canals and bridges. Investments increase production, which, in turn, increase national income, create new jobs for the people and increase per head income of the people. Saving and investments are, therefore, essential for raising standard of living of the people and bringing prosperity to the country.

Institutions of Investment :

Sum total of individual savings is also called national savings, which increase collective investment. We, therefore, need institutions, which could collect individual savings and advance loans out of them to persons desirous of investing money in profitable ventures. Some of these institutions are run privately by individuals, others by government. In Pakistan, most of these institutions are either run by the Government or supervised by the Government. Various institutions employ various methods of investment of savings. It is, therefore, necessary to study various schemes floated by these institutions to collect savings, so that the investor is satisfied that his hard-earned savings will not only be secure but also earn profit for him. Savings can be invested in the following institutions :

1. Limited Companies.

2. Banks.
3. Post Office Savings Bank and National Saving Centres.
4. National Investment Trust.
5. Insurance Companies.

With the exception of limited companies, all institutions in Pakistan are administered or supervised by the Government. People are, therefore, satisfied with their working and consider their investment secure. Limited companies are also established under law and are required to fulfil stringent condition in the maintenance of their accounts. Investment in these companies, does not, therefore, involve any risk. A housewife can invest her savings in these institutions under the following conditions:

3 - Shares of Limited Companies :

Limited companies are established to run big concerns on a vast scale e.g. textile industry, cement industry, sugar industry, etc., which require large amounts for investment. The promoters of these companies, who invest large sums themselves, invite people to invest their money. Total amount of capital of the Company is approved by the Government. This amount is divided into small parts called shares. Shares are offered for sale through advertisements in the newspapers, which also spell out aims and objects, total capital and amount of the share. Application form of purchare of shares is also included in the advertisement. Persons desirous of buying shares send the required amount of money with the application. A regular certificate of shares is issued if the application is accepted. In case the application is not accepted, amount of money is returned with regrets. It happens only if there are more applications for buying shares than the number offered for sale. Shares are, in fact, ownership rights of the company. Every company offers different kinds of shares for sale :

Classes of Shares :

1. Preference Shares.
2. Ordinary or Equity Shares.

Preference shares are again of two kinds :

(a) Cumulative Preference Shares.
(b) Non cumulative Preference Shares.

Cumulative Preference Shares :

Share holders of these shares are preferred to other shareholders in the payment of profit at the fixed rate. If the company is unable to pay any profit for a year on account of loss or insufficient profit, it is bound to pay this amount to their shareholders next year or whenever it earns enough profit to do so. In the case of abolition of the company these shareholders are preferred to all others in the payment of the amount of their shares.

Non Cumulative Preference Shares :

1. Shareholders of these shares are preferred to other shareholders in the payment of profit. But if the company is unable to pay any profit on account of loss or insufficient profit for a year, it is not reimbursed to them later when the company can do so.

2. Ordinary or Equity Shares : Profit on these shares is paid after fixed amount of profit on Preference shares has been paid. The rate of profit is **not** fixed on these shares. It depends on [more or less profit earned by the company.

In fact buyers of these shares are the owners of the company.

3. Deferred Ordinary Shares : These shares are generally held by those persons who establish the company and are responsible for its running. Share-holder of these shares are the last to receive profit. If no money is left after payment of profit on ordinary shares, shareholders of defferred ordinary shares are not paid any profit.

Value and Price of shares :

Every company fix the value and price of its shares itself. Value of the shares is generally fixed at Rs. 5/-, Rs. 10/-, Rs. 50/- Rs. 100/-, Rs. 1000/-. Every buyer can buy as many shares as he or she likes. A share cannot be divided. A buyer is issued a certificate to the effect that he holds so many shares. This certificate is changed into stock. All shares are entered in the register of. shareholders. These shares can be bought or sold freely. When a share is sold out, the fact is registered in the register of shareholders that profit is paid to the proper person. Shares are generally bought and sold at market price rather than their value. If the company enjoys good reputation and pays good profits to its shareholders, the price of the shares goes up and exceed the value of the share. Some companies pay profit at the rate of Rs. 50% of the value of the share. The price of their share is double or treble the amount of the value of the share.

Bonds or Debentures :

The company can raise more funds and increase its capital by taking loan. Like shares, this amount is also divided into small parts, which are called bonds. Bonds are a kind of loan. Buyers of bonds have nothing to do with the profit or loss that the company may incur. They charge interest at the agreed rate. Generally, the machinery or the building of the company is mortgaged for these bonds. Bonds are issued without any surety also. These bonds are issued and sold for a fixed period of time. The amount is returned on the expiry of the time-limit. The company can return the amount of the bond before the expiry of the time limit. If, however, the company is not in a position to meet its obligations in time, it can float new bonds and pay off older ones.

5 - **Banks :**

Bank is a unique institution and the oldest of all the institutions of investment. Banking in Pakistan has been taken over by the Goverment. People repose more trust in banks now. This has resulted in rapid increase in deposits. Small investors can also take loans from banks now. It does not remain the monopoly of big investors only. A housewife can help banks to advance loans to business concerns by depositing her small savings there.

Banks provide facilities for the following kinds of accounts :

Savings Account : Facilities for such an account are available with all the banks in Pakistan.

There are two kinds of savings accounts.

(a) Chequing Savings Accounts.

(b) Non Chequing Savings Account.

(a) Chequing Savings Account : This kind of account is operated by persons, who deposit their savings in a bank, but withdraw some amounts from time to time by cheque. Bank issues a cheque book to an account-holder, Bank pay 7½% per annum interest on such deposits. Amounts can be withdrawn twice a week. Such an account can be opened by depositing Rs. 5/- only.

(b) Non Chequing Savings Account : The only difference between this account and the one at (a) above is that no cheque book is issued in this account. An account holder has to present himself in person and fill a form called withdrawal form, if he wants to withdraw some amount. Amount cannot be withdrawn frequently. Bank pay8½% p.a. interest on such deposits. If frequent withdrawals are not necessary, this account is more profitable than the previous one.

2 - Fixed Deposit Account : Pakistani Banks accept savings of the people in fixed deposit accounts. An amount can be placed in this account for not less than three months and not more than five years. Interest or profit is calculated every six month and is added to the deposit. Amounts can be withdrawn. No interest is paid on deposits for less than three months. Rate of interest is determined by the length of time for which the amount is deposited. Receipt issued by the bank has to be returned if an amount is withdrawn. If the amount is to be withdrawn before the agreed date, one month's notice has to be given to the Bank. Rate of interest is given below :

Duration	Rate of Interest per annum	Duration	Rate of interest per annum
3 to 6 months	9%	3 to 4 years	11¾%
6 ,, 12 ,,	9½%	4 ,, 5 years	12¼%
1 ,, 2 year	10½%	More than 5 years	12¾%
2 ,, 3 years	11%		

6. Deposit Certificate Scheme :

Practically all the commercial banks operating in Pakistan have floated long term schemes for encouraging savings among the people. They issue deposit certificates of different nomenclatures worth not less than Rs. 100/-. These schemes envisage savings extending over to sixteen years. Persons, who do not stand in need of their savings for a stipulated period of time or those who wish to secure their savings for a long period of time take advantage of these schemes. Amounts can be withdrawn during the period of the scheme. No interest is paid on deposits less than six months duration. Interest is determined after every six months and added to the principal. The amount invested in these schemes increases according to the schedule given below :

Amount deposited :	Duration	Increase	Amount payable
Rs. 100/-	6½ years	More than double	Rs. 223.31
Rs. 100/-	10 years	,, ,, three times	Rs. 344.18
Rs. 100/-	12½ years	,, ,, four times	Rs. 468.80
Rs. 100/-	14½ years	,, ,, five times	Rs. 600.27
Rs. 100/-	15 years	,, ,, six times	Rs. 638.54

Rate of interest per annum continues to increase for the first five years according to the following schedule :

Duration	Rate of interest	Duration	Rate of interest
1 year	10¾% p. a.	3½ years	49¾% p. a.

1½ years	16½ ,,	4 ,,	60¾ ,,
2 years	23¾ ,,	4½ ,,	70¾ ,,
2½ years	30¾ ,,	5 years or more	85½% p.a.
3 ,,	40¾% p.a.		

---

7 - Post Office Savings Bank and National Savings Centers :

National Savings Schemes have been issued by the Government for the good of the people and prosperity of the country. These schemes are approved by the Directorate of National Savings under the directions of Ministry of Finance, before they are issued by Post Office Savings Banks. Head Offices, Sub Offices and branch post offices of the country have been operating these schemes successfull since 1973. In view of the popularity of these schemes, National Savings Centres have been opened at all district headquarters, in addition to the Post Office Savings Banks. These Centres have will continue to operate in addition to the Post Office Savings Schemes.

National Savings Schemes issue different kinds of deposit accounts, certificates and prize bonds, which cater to different needs and circumstances of the investors. Rate of profit offered by the Schemes is higher than that of the schemes issued by other institutions. In addition to this, no income tax is charged on the profit earned on these schemes. Various schemes of national savings are given below :

1. Saving Accounts

There are four kinds of Saving Accounts—Savings Accounts, Fixed Deposit Accounts, Khas Deposit Accounts and Bonus Deposit Accounts.

These accounts can be opened in the name of one person or two persons jointly. Parents can open these accounts in the name of their children. School and College girls can also open these accounts. These accounts can be transferred from one place to the other.

(a) Savings Account : This account can be opened in any Post Office Savings Bank or National Savings Centre by depositing Rs. 2/- only. A form is issued by the Post Office Savings Bank and a cheque book by National Savings Centre for withdrawal of amounts, on which, no excise duty is levied. A pass book is issued to those who open such an account. Amounts can be withdrawn only twice a week. A person can deposit any amount in his account. Rate of profit on these accounts is 10% per annum. Profit is calculated on yearly basis and added to the principal.

(b) Fixed Deposit Account : Such an account is opened for a fixed period of six months, a year, two or three years. Part or whole of the amount can be withdrawn, if necessary, before the expiry period of time for which it is deposited. Profit is calculated after every six months. This account can be opened by depositing Rs. 100/-. Only those amounts can be deposited which are divisible by 100. There is no limit for depositing any amount of money in an account.

(c) Khas Deposit Account : This account can be opened in exchange for Khas Deposit Certificates. It is opened for a period of three years. Interest or profit is paid after every six months at the rate of 6% p.a. Profit for the last six months of the period of three years is calculated at the rate of 7% p.a. Amounts can be withdrawn from this account whenever needed. Interest is calculated and paid after every six months.

(d) Bonus Deposit Account : This account is as good as National Deposit Certificate. A pass book is issued to a person who opens this account. A maximum of Rs. 2,00,000/- can be deposited in the name of one person and Rs. 4,00,000/- in a joint account. An amount of Rs. 100/- deposited in this account increases to Rs. 112/-, 125/-, 140/-, 170/-, 195/-, 225/- and 260/-, after 1,2,3,4,5,6, and 7 years respectively.

2. Saving Certificates :

There are three kinds of saving certificates :

(a) Khas Deposit Certificate.
(b) National Deposit Certificate.
(c) Defence Savings Certificate.

These Certificates can be purchased at one time or at intervals. Different forms have to be filled in for different kinds of certificates and the required amount deposited with these forms. Certificates are issued immediately.

A duplicate certificate is issued in case the original is lost or spoiled. Name of the buyer is written on the certificate. No other person can encash this certificate. Certificates of lower value can be converted into certificates of higher value. A certificate can be exchanged for a certificate of lower value and the remaining amount paid in cash. The date of issue of the new certificate will continue to be the same as that of the older one.

Various characteristics of the three kinds of certificates are given below :

(a) Khas Deposit Certificates : These certificates are issued for a period of three years. This scheme was floated in 1973. The profit is calculated and paid after every six months. A person can purchase and encash these certificates without limit. Two persons jointly can also purchase certificates. For the facility of the common man, these certificates have been issued in Urdu. Certificates of the value of Rs. 10/-, 50/-, 100/-, 500/-, 1000/-, 5,000/-, and 10,000/- are in circulation. A certificate of Rs. 100/- will be worth Rs. 137/- after three years i.e. the investor will get Rs. 6 as profit on certificates of Rs. 100 for every six months for the first 2½ years, but in the last half year he will receive Rs. 7. If reinvested every six months, the amount of profit after three years will be approximatly Rs. 143 which means over 14% per annum. All profit is tax free. Every certificate carries six coupons. One coupon is detached after every six months and surrendered to a post office or national savings centre for receiving the profit in cash. These certificates are very popular because the duration for which the money is invested is not very long and profit is payable after every six months. These certificates can be encashed any time, but the profit accrues only after six months.

(b) National Deposit Certificates : These certificates are issued for a period of seven years. They can be encashed any time three months after they have been bought. Certificates of the value of Rs. 10/-, 50/-, 100/-, 500/-, 1,000/-, 5,000/- and Rs. 10,000/- are in circulation. A person can buy certificates of the value of Rs. 1,00,000/- in his own name and the name of each one of the children. Two person can buy certificates worth Rs. 2,00,000/- jointly. No limit of value is prescribed for certificates financed from pension and provident fund. The amount of a certificate worth Rs. 100/- increase to Rs. 112/-, 125/-, 140/-, 170/-, 195/-, 225/- and 260/- after 1, 2, 3, 4, 5, 6 and 7 years respectively.

Bonus Deposit Account can be opened in place of these certificates, which affords the same facilities.

(c) Defence Savings Certificates : These certificates are issued for a period of ten years. This scheme was floated in 1966 to meet defence and development needs of the country.

Certificates of the value of Rs. 5/-, 10/-, 50/-, 100/-, 500/-, 1000/-, 5,000/-, and 10,000, are in circulation. These certificates can be bought not only by individuals but also by semi-government institutions and government departments. A person can buy certificates worth Rs. 1,0.000/-, in his own name and Rs. 200,000/-, in the name of two persons jointly.

Certificates of the same value can be bought in the name of each one of his children. The value of a certificate worth Rs. 100/- increases to Rs. 111/-, 123/-, 137/-, 152/-, 169/-, 205/-, 235/-, 275/-, 325/-

and Rs. 350/- after 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 years respectively.

These Certificates are very popular among tax payers because no income tax is charged on the amount invested in these certificates and the profit thereon. Families, whose income is taxable, can take advantage of this Scheme.

8. Prize Bonds :

Prize Bonds of the value of Rs. 5/-, Rs. 10/- and Rs. 11/- are in circulation. Cash prizes of various values are awarded to the holders of prize bonds, which win prizes by drawing lots. Value of the prize bonds remains secure even after a prize has been won on that bond. There is no ceiling fixed for buying prize bonds. Prize bonds can be encashed any time. No forms are required to be filled. These bonds can be bought and sold at any commercial bank, post office, national savings centre and State Bank.

Prizes of the value of Rs. 100/- can be received from any Commercial Bank, post office or national savings centre. Prizes of higher value can be received through a commercial bank or a national savings centre or directly from the State Bank. Name of the place where lots are to be drawn is announced before hand Everybody can witness the draw. There is no possibility of any kind of irregularity in drawing lots. Numbers of the prize bonds, which win prizes, are published in all newspapers of the country and posted in every bank, post office and National savings centre.

Lots of prize bonds of the value of Rs. 5/- are drawn on the 15th of one month and those of value of Rs. 10/- on the 15th of next months and so on. Details of the prizes awarded on every series of these two kinds of bonds are given below :

Prize Bonds (Rs. 5/-)

1. First Prize	Rs. 25,000/-
2. Second Prize	Rs. 10,000/-
3. 498 other prizes	Rs. 100/- each

Prize Bonds (Rs. 10/-)

1. First Prize	Rs. 25,000/-
2. Second Prizes	Rs. 10,000/-
3. 498 other prizes	Rs. 100/- each

Prize bond of the value of Rs. 11/- is the same in appearance as that of the value of Rs. 10/- except that the former carries a counterfoil with it.

Lots for the prize bonds of the value of Rs. 11/- are drawn every month. These bonds can be bought from the State Bank, any commercial bank or a national savings centre. A month after the date of purchase, the prize bond is included in the draw for four consecutive months. If the bond wins a prize, it is presented along with the counterfoil for receiving the amount of the prize. If it does not win a prize in any of the four draws, the counterfoil is detached and the bond is included in the draw for prize bonds of the value of Rs. 10/-. Details of the prizes awarded on these bonds are given below :

1. First Prize	Rs. 1,00,000/-
2. Second Prize	Rs. 50,000/-
3. Ten prizes	Rs. 5,000/- each

Prize bonds are a good incentive for affecting savings.

9. National Investment Trust (Unit)

National Investment Trust was established in 1962. It started its operations in the beginning of 1963. It acts as a bridge between various companies and the people. This institution provides funds to various companies by buying their shares. It distributes the profit it earns on these shares by selling N.I.T. Units. In addition to this, it encourages investment by making the complicated business of shares an easy one. It removes doubts about the business of shares by guaranteeing minimum profit. It keeps the value and price of the Unit stable, which reinforces buyers trust in Units. It arranges to distribute as much profit as possible among the buyers. Unit is actually a means of collecting small individual savings and investing them in profitable shares so that needs of economic development of the country are fulfilled and buyers of NIT units are enabled to partake in the profits earned by various companies. Common fund created by the savings of the people is put under the charge of a Trustee. Management of the Trust is assigned to the managing company, which decides on the policy for investment and purchase of shares.

Trust Fund and Trust Unit :

Trust Fund has been divided into units, which are sold to the people. Trust Fund is the property of the buyers of units. All profits accruing therefrom, also, therefore, belong to them. There are two kinds of Units :

(a) Registered Units
(b) Bearer Units

(a) **Registered Units** : These are the units generally bought by investors. Value of one unit is Rs. 10/-. No income tax is levied on the amount invested in NIT units and the profit thereon. Housewives, whose income is taxable, can benefit from these units. Employees can invest 30% of their annual income, upto a maximum of Rs. 20,000/- in these units. The shareholders can buy more units on reduced rates out of the profits of these shares, under collective investment plan, if they so desire. Registered units are bought and sold so often. Instead of selling them directly to the buyers, it is advisable to do so through a bank so that name and address of the new owner is registered. Intimation to this effect should also be sent to National Investment Trust Ltd., National Bank of Pakistan Building (Sixth floor), 11 Chundrigar Road, Karachi, so that profit on the units is despatched to the new owner or the new address.

(b) **Bearer Unit :** Saving can also be invested in bearer units. Niether a form has to be filled in nor name registered anywhere. There are coupons attached to this kind of a unit, on the production of which banks or N.I.T. offices will reimburse profits on this unit. Bearer units can be presented to a bank any time and their market price claimed. Purchase price of a unit has been fixed at Rs. 10/50 i.e. 50 paisas above the value of the unit. Profit of Rs. 1/10 on every unit has been guaranteed by the Government, although higher profit can always be expected.

10. Life Insurance :

Every family needs economic security. Old age and death are the biggest realities of human life. Old age renders our hands weak and our body frail. Sudden death of the bread-winner renders the golden future of the whole family dark and hopeless. Savings done in young age, therefore, come to the rescue of an old man. In the case of death these very savings provide financial relief and security to the wife and children of the deceased. Long period of young age provides us with an opportunity to save something for old age. But untimely death of a young bread-winner leaves young wife and innocent children at the mercy of cruel fate. They are overwhelmed by financial worries. Life becomes miserable. A well-to-do family is obliged to lead a life of indigence and utter poverty. Life Insurance can provide necessary economic security in such a case. Life insurance not only provides financial relief in old age but also guarantees economic security to bereaved family in the case of untimely death of the bread winner. In addition to this it teaches thrift and members of the family become saving-minded. It also encourages us to plan our financies on long term basis.

Prosperity and bright future of the family is a source of happiness and peace of mind for a housewife. She is aware of the fact that savings play an important part in the happiness of a family. She also knows that life insurance is imperative for economic security of the family.

Life insurance is, in fact, an advanced and more sophisticated form of cooperative movement, in which the heavy amount of money disbursed by an Insurance company on the death of a person is defrayed by all members of the society. Life insurance is also a practical solution of the financial problems faced by a family at the untimely death of a bread-winner. Life insurance is not a guarantee of a person's continued existence, but a solution, to a certain extent, of the financial problems created by the death of that person. As the return of savings invested in life insurance is certain, the amount thus received proves to be a source of satisfaction. This amount can meet so many of our needs, which otherwise may remain unmet. Insurance premiums do not affect our daily expenses adversely.

Economic security of the family is, on the other hand, assured.

Life Insurance Policy :

The agreement entered into between the Insurance Company and the assured is called Insurance Policy It stipulates the amount and period of time for which life is insured. The amount charged by the company every month, every quarter, every six months or every year is called premium. The value for which the agreement is entered into is called the sum assured. Life Insurance business in Pakistan is being conducted under the control and supervision of the Government. There are two institutions conducting life insurance business in Pakistan.

(a) Postal Life Insurance
(b) State Life Insurance Corporation of Pakistan

(a) **Postal Life Insurance :**

Government of Pakistan has been doing Life Insurance business for the betterment of the people and the society since the establishment of Pakistan. The work was entrusted to the post offices because they were the only government institutions available in every nook and corner of the country. They were, therefore, the only means of establishing contact with the people.

The main object of the government was to extend facilities of life insurance at low rates to the people of Pakistan and to secure honourable life for the insured in society. Profit earned by the government from postal Life Insurance is distributed among the policy holders. Premiums can be deposited in all post offices of the country. Payments are also made through these post offices. A government servant can remit monthly premium by getting it deducted from his monthly salary.

If the incumbent does not get his salary on time or payment of his salary is temporarily stopped, no extra amount is charged by P.L.I. Life insurance is not affected by suicide or death penality, with the provision that the policy was not taken out with such an intention. Government is responsible for the payment of the sum insured.

(b) **State Life Insurance Corporation of Pakistan :**

This Corporation is issuing various kinds of life insurance policies under direct control and supervision of the government of Pakistan. All companies taken over by the Corporation have been grouped into 'A', 'B' and 'C' Beema Units. The work of issuing policies has been streamlined and inequalities in distribution removed. Premium on various kinds of policies has been reduced. Larger amounts of bonuses are being declared. The amount invested by the people is being spent on development and prosperity of the country. In fact, State Life Insurance Corporation has become very popular with the people on account of its achievements.

Postal Life Insurance and State Life Insurance Corporation issue the following kinds of policies :

(*a*) Whole Life Insurance Policy. It guarantees best possible financial protection to the members of the family of the deceased. Premium on this kind of policy is the lowest. The insured can take out a policy up to the age of 50, 60, 70 or 85 years. The sum insured is paid to bereaved family without any delay. If the insured continues to live beyond the appointed age, payment of premiums is stopped. Such policies are issued both by the Postal Life Insurance and State Life Insurance Corporation, (*b*) Endowment Insurance Policy. It is a policy which matures on the expiry of stipulated period of time so that the person insured can discharge some of his responsibilities with the help of the money thus saved. If, however, the person insured dies before the policy matures, an amount equivalent to the value of the policy is paid to the nominee appointed in the policy or inheritors of the insured. Such policies are issued for a period of 5, 10, 15, 20, 25, 30, 35 or 40 years. These policies are also issued by both the Postal Life Insurance and State Life Insurance Corporation.

(*c*) Education or Marriage Endowment Policy. These policies are issued for a period between five to seventeen years. The period is determined by the age at which a child would need the sum insured. In the case of death of the person paying premiums, the policy becomes due for payment immediately. Monthly stipends can also be paid out of the amount of the sum insured. The whole amount of the sum insured is paid to child immediately if stipends are not acceptable or stipulated.

(*d*) Supplementary Accident Contract. It is a supplementary contract attached to a life insurance policy. It can be attached both to Whole Life Insurance Policies and Endowment Insurance Policies. By virtue of this contract the insured is guaranteed supplementary payment in the event of his death or permanent disability of one or two organs of the body or loss of one or two organs of the body or loss of one or both the eyes on account of an accident. In the event of loss of one organ half the amount of the value of the Policy is paid to the insured immediately, in the event of loss of one eye one third of the amount, and loss of thumb one fourth of the amount.

In the event of temporary or permanent disability on account of injury by accident, the insured is paid at the rate of Rs. 5 - per thousand per week, upto a maximum of 52 weeks. In the event of permanent disability ten percent of the sum insured is paid to the insured annually upto a maximum of ten years. Remaining premiums of the policy are not charged by the company.

Policy holders desirous of benefitting from these supplementary benefits are required to pay Rs. 4/-, 5/-, 6/- per thousand according to the nature of their profession.

In the event of death by accident double the amount of the sum insured shall become payable on the payment of Rs. 1/25 per thousand by the insured.

The above mentioned policies are very popular among the people. But State Life Insurance Corporation has introduced a number of new kinds of life insurance policies.

Whole Life Insurance by Limited Payment. It is a modified form of Whole Life Insurance Policy. Premiums are paid only for a few years, after which the policy is supposed to have matured. The payment, however, is made at the age agreed to in the policy, which could be between 70 and 85 years, or at the death of the insured before attaining that age.

Progressive Premium Policy. It is a special form of Endowment Insurance Policy, which matures at the age of 70 years. Change can be affected in this policy, after it has been in operation for five years, provided the remaining period is not less than ten years. If the change is agreed to, the amount of the premium will be raised, to admit increase in the amount of the sum insured.

Three Payment Plan. This policy is also a special form of Endowment Insurance Policy, in which the amount of the sum insured is paid during the period for which insurance is contracted.

25% of the sum insured is paid after 4, 5, 6, or 7 years if the total duration of the policy is 12, 15, 18 or 21 years respectively, provided that the insured is alive.

Second 25% of the sum insured is paid after 8, 10, 12 or 14 years, if the total duration of the policy is 12, 15, 18 or 21 years respectively, provided that the assured is alive.

The remaining 50% is paid at the time of the maturity of the policy, provided that the insured is alive.

Payment of premiums during the period of insurance is essential, provided that insured has not died.

Child Protection Policy. It is a joint life insurance of the child and the father. If the father is dead, the mother can also purchase such a policy. No one else can.

If the child and father/mother, remain alive during the endowment period, the sum insured shall be paid to the father/mother.

When the father or mother, who pays the premium, dies no more premium is charged and the child is eligible to receive the following benefits.

(*a*) The child receives Rs. 100/- per thousand per annum till the endowment period is over.

(*b*) The whole amount of the sum insured is paid at the end of the endowment period or after the death of the child, if it occurs earlier.

If the child, for whom protection policy has been purchased, dies before the endowment period is over, the father/mother shall receive the following amounts.

Age of the child at the time of death.

1 Year 10% of the amount plus 10% of the bonus, if any.
2 Year 20% „ „ „ 20% „ „ „
3 Years 30% „ „ „ 30% „ „ „
4 Years 40% „ „ „ 40% „ „ „
5 Years 50% „ „ „ 50% „ „ „
6 Years 60% „ „ „ 60% „ „ „
7 Years 70% „ „ „ 70% „ „ „
8 Years 80% „ „ „ 80% „ „ „
9 Years 90% „ „ „ 90% „ „ „
10 Years sum insured plus bonus, if any.

Joint Life Endowment Insurance. This policy provides safeguards against risk to the lives of both the insured. The policy matures at the end of the endowment period or death of one of the insured. Premiums are to be paid during the period of endowment or till the death of one of the insured. Premium is fixed after taking into consideration the ages of the two being insured according to the following schedule.

Difference between the ages of two persons	Difference between the ages of the two
0 to year	nil
2 to 3 years	one year
4 to 6 years	2 years
7 to 9 years	3 years
10 to 13 years	4 years
14 to 17 years	5 years

18 to 24 years	6 years
25 to 33 years	7 years

Husband and wife can purchase such a policy.

Zakat.

Islam has laid down fundamental principles for all aspects of life. In order to establish equity and fraternity in social and economic life, the rich have been exhorted to look after the economic needs of the poor muslim brothers. Accordingly in islam, the rich are duty bound to deposit every year 2½ % of their savings in a fund meant for meeting the needs of poor. This amount is called Zakat. It is the religious duty of every muslim who saves in a year 6 hectograms of silver or 7-8 decagrams of gold or any amount equal to the value of any of these metals to give 2½ % of that amount as Zakat.

Zakat is deducted from the Accounts and Certificates on the balance as on the valuation date. The valuation date for the Hijra year 1401 was 20th June 1980 (the day on which the Zakat and Ushr Ordinance was promulgated) and ist Ramzan in the Subsequent Hijra years. Zakat is deducted on savings Accounts on such amount as is notified by the Adminstrator General Zakat and makes the account holder sahib-e-Nisab on the valuation date. Zakat on khaas Deposit certificates/Accounts deducted on the face value of the amount. In case of National Deposit certificates/Accounts and Defence saving certificates, on the payable value as on the valuation date in the year of encashment/with drawal.

In case the Account holder/Investor belongs to a fiqa which does not make him liable to Zakat a declaration must be produced by him every year three months before the valuation date, account holder/investor shall be exempted from the deduction of Zakat, or one produce a certificate stating that in the preceding year his assets were less than the amount of nisab, then the Zakat deducted will be refunded to him.

Example :

A person saved Rs. 2,000 in a year. His wife had ornaments of Rs. 1,500. How much Zakat is due to him.

Solution :

Amount on which zakat is due

$$= 2000 + 1500 = \text{Rs. } 3500$$

Zakat at the rate of $2\frac{1}{2}\%$

$$= 25 \times \frac{3500}{100} = \frac{5 \times 3500}{2 \times 100} = \text{Rs. } 87.50$$

QUESTIONS

1. **What do you mean by Saving ? What is the importance of saving for a housewife ? Describe the objects of saving ?**
2. **What do you mean by investment ? What is the importance of investment for a housewife ?**
3. **What is the difference between shares and bonds ? What are the obligations of a company towards the two ?**
4. **What are the advantages of Fixed Deposit Accounts and Deposit Certificate schemes of banks ?**
5. **What do you know about the various saving accounts of Post Office Savings Bank and National Saving Centres ?**
6. **Write a detailed note on the Prize Bond Scheme ?**
7. **How do banks help investments in a country ? How does a housewife deposit her savings in a savings account ?**
8. **Give kinds and describe characteristics of the various kinds of NIT Units ?**
9. **What do you know about the institutions doing business in Life Insurance in Pakistan ?**
10. **Explain Child Protection Policy and Joint Life Endowment Insurance ?**

CHAPTER IV

Banking

People have been committing their valuables and cash to the trust of a class of persons, to ensure their safety, for ages. Most of the people living in rural areas, deposited their valuables with the local shop keeper, generally known as money-lender. These shop keepers charged them in kind or cash for services rendered. Similarly persons in need of money mortgaged their crop or valuables and borrowed money from these money lenders, who charged interest on this amount. With advancement in civilization and growth in urban population, business of money lending became organized. Co-operative and urban banks came into being and replaced the money-lender. Banks opened their branches in big and small towns. The government not only provided necessary support to these banks, but also opened its own banks, with the result that banking developed into an organized business.

Kinds of Banks.

Banks can be divided into the following kinds with regard to the nature of functions they perform.

Central Bank. Practically every country in the world has a central bank of its own, which is responsible for the economic and financial health and stability of the country. Earning of profit is a secondary function of this bank. Central Bank issues currency notes and ensures reasonable value of this currency. It provides banking facilities to the Government. It keeps deposits of other banks and ensures stability in the prices of essential commodities. State Bank of Pakistan serves these functions in Pakistan.

Commercial Banks. These banks are established for commercial purposes. Their basic function is to earn more and more profit. They earn profit by lending money deposited by their clients and patrons to persons and institutions in need of money. Other functions of commercial banks include discounting of bills, security of valuables, transfer of money from one place to the other, etc. etc. National Bank of Pakistan, United Bank, Habib Bank, Muslim Commercial Bank and Allied Bank perform functions of commercial banks in Pakistan.

Industrial Banks. These banks are established to promote industries in the country. They extend facilities of long and short term loans to industrial concerns. They also buy shares of these concerns. Pakistan Industrial Development Bank performs these functions in Pakistan.

Agricultural Development Banks. Commercial banks cannot meet all the financial needs of the agriculturists. Farmers need long and short term loans to meet a variety of needs. Short term loans enable the farmers to buy good quality seeds, fertilizers, etc., while long term loans enable them to purchase tractors and instal tube wells. These functions are being performed by Agricultural Development Bank in Pakistan. Some branches of National Bank also perform these function.

Foreign Exchange Banks. These banks provide facilities for exchange of currencies and bank drafts of one country for the other and help promote trade between countries. They issue bank drafts for remitting money to other countries. Special branches of all commercial banks perform these functions in Pakistan.

Saving Banks. These banks are meant to promote the habit of saving money among the people. In addition to Post Office Savings Bank and National Savings Centres all commercial banks perform functions of savings banks in Pakistan.

Co-operative Banks. These banks are established on the principle of mutual co-operation. Only shareholders provide capital of the bank and enjoy facilities of loan, etc. There are three types of co-operative banks in Pakistan. Savings and loans societies at the village level, central co-operative banks at the district level, and provincial co-operative bank at the provincial level.

Mortgage Banks. These banks extend long term loans against immovable property, e.g. lands and houses. These functions are performed by co-operative Banks in Pakistan.

Investment Banks. These banks earn profit through the sale and purchase of bonds and shares of corporations, registered companies and government institutions. They also provide funds to companies for investment in profitable ventures. These functions are being performed by Pakistan Industrial Credit and Investment Corporation and National Development Finance Corporation in Pakistan.

State Bank of Pakistan.

State Bank of Pakistan is responsible for organizing banking business in Pakistan. It supervises the working of other banks and frame rules and regulations to be followed by them. Banks observe working hours and holidays according to the instructions issued by the State Bank from time to time. State Bank of Pakistan takes a bank to task for any infringement of rules and regulations.

State Bank of Pakistan is the largest bank established by the Government of Pakistan. It was inaugurated by the Quaid-i-Azam on July 1, 1948. Its head Office is situated in Karachi and its branches in Lahore, Rawalpindi, Faisalabad and Peshawar. There are three departments of this Bank :

(*a*) **Issue Office.** This office issues currency notes of the value of Rs. 5/-, Rs. 10/-, Rs. 50/- and Rs. 100/-. These notes are issued by the State Bank of Pakistan on the authority of the Government of Pakistan. Currency notes, which are torn, soiled or burnt, are replaced by this department.

(*b*) **Public Account Office.** This department makes payment against cheques and bills issued by the Government. It also receives amounts to be deposited in Government Treasury.

(*c*) **Banking Department.** This department frame rules and regulations to be followed by various banks, issues instructions regarding rates of interest, observance of office hours and Holidays, and transacts foreign exchange business. Banks deposit their unutilized amounts with and withdraw them from this department.

Functions of this Bank are different from other banks in as much as it issues currency notes and organizes banking business in the country. As it had to discharge very heavy responsibilities in these fields it does not keep accounts of general public. It only functions as government treasury.

Commercial Banks.

All commercial banks perform the following functions :

(*a*) Keeping accounts of general public.

(*b*) Safe Deposits.

(*c*) Loans and Advances.

(d) Issuing bank drafts and travellers cheques.

(*e*) Discounting of bills.

(*a*) **Keeping Accounts of General Public.** There are three kinds of accounts of general public.

(*i*) Individual or personal account, in which one individual deposits and withdraws amounts.

(*ii*) Joint Account, which is operated by two or more persons jointly or severally.

(*iii*) Account of limited companies or joint stock firms, which is maintained by the bank in the name of the company, as this account deals with the capital, receipts and expenditure incurred by the company. An authorized shareholder or a responsible officer of the company operates this account on behalf of the company.

A personal account, joint account or account of limited companies can be opened in a bank and operated in three different ways.

1. Current Account. No limit is prescribed for amounts to be deposited in and withdrawn from this account. Amounts can be deposited in and withdrawn from this account at any number of time. This account is, therefore, very suitable for persons engaged in trade and companies. As deposits and withdrawals in this account are quite frequent, it is called current account.

Banks usually do not pay any interest on deposits in this account. Even if a bank does in some exceptional cases, the rate of interest is very low. On the other hand, banks charge some amount for maintaining this account. This amount is called "Bank Charges".

2, Savings Bank Account. Savings Bank account is meant to encourage savings. There is a limit placed on deposits and withdrawals so that the account holder does not indulge in extravagance. Amounts can be withdrawn only twice a week. This account is not, therefore, suitable for traders and companies because their transactions generally exceed this limit on withdrawals. It is, however, suitable for personal and joint accounts, in which deposits and withdrawals are not frequent. Banks pay interest on deposits in this account although the rate is not high.

5. **Fixed Deposit.** Amounts, which are not required to be spent by the account holder for a stipulated period of time, are deposited in this account. This period of time may extend to 3 months, 6 months, 1 year, 2 years or more. There is no limit on the amount that can be deposited in this account. The amount deposited in this account can not be withdrawn before the expiry of stipulated period of time. If, however, an account holder wishes to withdraw an amount before the expiry of that time, he is required to give one month's notice to the bank declaring his intention to do so. Also, the Bank does not pay any interest on this amount. This account can be opened in the name of one person, two or more persons, or a company. But as traders and companies can earn more profit by investing such amounts in some business than the interest paid by banks, they are not attracted to this account. Banks, however, pay interest on deposits in this account, rate of which is higher than interest paid on deposits in current and savings bank accounts.

(*b*) **Safe Deposit or Bank Lockers.** Valuable articles like oranments, bank drafts, and important documents are also deposited in banks for safe custody. Banks make arrangements for such deposits and charge Rs. 34/-

p.a. for this service. Persons, who transact business with a bank, can use these lockers, which are situated in the strong room of the bank. There is an iron cabinet in the room, consisting of a number of lockers. Each locker has two keys, one of which is given to the depositor and the other sealed and deposited with another bank. The depositor can deposit his valuable articles in and withdraw them from the locker during bank hours. Safety of the locker is the responsibility of the bank. In the event of the loss of the key of a locker, duplicate key is withdrawn from the bank, with which it was deposited, and the locker opened in the presence of the depositor. Bank charges some amount for the service rendered.

(*c*) **Loans and Advances.** Sometimes account holders have to borrow money from banks, which advance two kinds of loans. Banks accept gold, ornaments, trade goods, drafts, valuable documents, insurance policies, government securities, etc, from their account holders and advance the required amount in return. They assess current value of the mortgaged property and advance only 75% or 80% of this amount. This loan is called Secured Advance. In the event of non-payment of the loan, the bank can dispose off the mortgaged article and redeem the amount advanced. The other kind of loan is called Over Draft, which is advanced to account holders in consideration of their present needs. This loan is advanced only to those account holders, whose dealings with the bank have been good and who are sure to return the amount soon. These loans generally extend to a period of a couple of weeks or at the most one or two months.

(*d*) **Bank Drafts and Travellers Cheques.** Transfer of cash from one place to the other not only involves difficulties but also risk of theft and robbery. Life of the person carrying the cash is also endangered. Transfer of cash through a bank guarantees security and involves less expenditure. Banks have their branches in various cities. They transact business not only with their own branches but also with other banks. A bank, therefore, issues a bank draft, which can be encashed from the bank named in that draft.

Travellers cheques are as good as bank drafts, with the difference that these can be encashed from any branch of that bank. Also, these cheques or cheque books are issued by the bank for smaller amounts than the total amount of the sum so that the account holder can encash these cheques as and when he needs the money. Signatures of the person, in whose name these cheques are issued are attested by the bank before hand, so that no other person can draw the money against these cheques. Travellers cheques are usually obtained by account holders when they are proceeding abroad on long travels.

(*e*) **Discounting of Bills of Exchange.** Internal and foreign trade is generally carried on credit. When a person buys goods from another person on credit, the seller prepares a Bill of Exchange, which stipulates the period, before the expiry of which the buyer shall make the payment, and bears the signature of the buyer. This bill is a legal document.

Immediate payment is just not possible in the case of foreign trade for obvious reasons. Bills of exchange are, therefore, generally used in this kind of trade. The seller of the goods retains the Bill of Exchange for the stipulated period of time. But traders stand in need of hard cash more than bills of exchange. In such a contingency they deposit bills of exchange with banks, which make payment of the amount after deducting their commission. This service of the banks is called discounting of bills of exchange.

Opening Bank Account.

Before opening an account a housewife must satisfy herself about the kind of account she wishes to open. Generally Savings Account is regarded as suitable. If however, the number of deposits and withdrawals is large, Current Account is better than Savings Account.

The housewife should then contact the manager of a bank, situated near her residence, who would give her a form. There are two separate forms for Current and Savings accounts. Specimen of these forms are given on the following pages.

The housewife should fill in the required form and get it signed by a person, who holds an account in that bank. This is called introduction of the person, who wishes to open an account. She should then fill in a form called deposit form or pay-in-slip. There are separate forms for Current and Savings accounts and for depositing cash and cheques and drafts. The amount of the cash or the cheque being deposited is written both in figures and words. One part of the form is used as a receipt which is signed and sealed by the Cashier of the bank and detached from the form and returned to the account holder. It bears the name of the account holder, the number of the account and the amount deposited. Specimens of these forms are also given on the following pages.

F-100

Account No.

The Manager
National Bank of Pakistan

Date______

Dear Sir,

APPLICATION TO OPEN A SAVINGS ACCOUNT

I/We request you to open a Savings Account in your books in the undernoted name(s).

TITLE OF ACCOUNT TO BE GIVEN IN BLOCK LETTERS

Occupation:

Address :

National Identity Card No :

Tel. No. Off. ______ Res :

Introductory Reference

Name

Occupation and address

National Identity Card No.

maintaining Account No.______at.______Branch.

Signature(s)

Please furnish me/us with a cheque book containing______leaves, debiting the amount of excise duty to my/our account.

Yours faithfully

Name(s)

Signature(s)

CHEQUE SERIES

From

To

ATTESTATION

Account may be opened

Manager

Sunrise Pads 1000-12-80

... see overleaf

53

☐ INDIVIDUALS
☐ PROPRIETORY CONCERNS
☐ PARTNERSHIP FIRMS
☐ SOCIETIES & CLUBS
☐ EDUCATIONAL INSTITUTIONS

The Manager
National Bank of Pakistan
____
____

Date ______________

Dear Sir,

Please open a $\frac{\text{Current}}{\text{Cash Credit}}$ account in my/our name(s) as under

Title of Account : ______________________
(In Block Letters)
____

Business/Occupation : ______________ *Nationality* ______________

National Indentity Card No. ______________________

Address ______________________

______________________ *Phone No.* ______________

The account shall be operated by :

☐ *Either/Any one of us or Survivor(s)* ☐ *Any two/All of us jointly*

☐ ______________________

I/we hereby agree to abide by the Bank's Rules for conduct of such accounts. Kindly issue me/us a cheque book containing ______ *leaves, debiting the amount of excise duty to my/our account.*

Yours faithfully,

	NAME(S)	DESIGNATION	
1			Signature
2			Signature
3			Signature
4			Signature
5			Signature

INTRODUCTORY REFERENCE

Signature

Attestation

Name ______________________

National Indentity Card No. ______________________

Address ______________________

Phone No. ______________

FOR BANK'S USE

Cheque series issued	Account No.

Account opened and signature(s) verified by me

MANAGER

Manager of the bank will then give the housewife another form called Specimen Signature Form, which she will sign on four different places. This form is kept by the Bank in safe custody so that signatures of the account holder are verified by bank authorities at the time of making payments. Specimen Signature form is given below :

SPECIMEN SIGNATURE FORM

National Bank of Pakistan. S.B. A/C

No.

Name of Account ______________________
(IN BLOCK LETTER)
Special instructions ______________________
Signature ______________________
Signature ______________________
Date ______________

S.B. 153. 1000×100 (2454) 2—76

After these formalities have been gone through, the manager will sign the form for opening the account and issue the housewife a Pass Book and Cheque Book, which will bear among other particulars of the account holders, the number of the account alloted to her. This number must be quoted in all letters addressed to the Bank, so that identity of the account holder is firmly established.

Now we give below an illustration of the procedure outlined above :

Asghari Begum, who resides inside Shah Alam Gate, Lahore, wishes to open Savings Account. She contacts the Manager. National Bank of Pakistan, Shah Alam Branch, because this Bank happens to be situated nearest her residence. She informs the Manager of her intention to open a Savings Account in his Bank, who gives her a form. She fills in the following particulars.

NATIONAL BANK OF PAKISTAN
Shah Alam Branch
Savings Bank Account

The **Manager**
Dear Sir,

I wish to open a Savings Account with your Bank. I have read rules and regulations governing the account and promise to abide by them. My particulars are given below :

Name :	Asghari Begum
Husband's Name :	Shamshad Ali Khan
Address :	House No. H/1086, Inside Shah Alam Gate, Lahore.
Occuption :	Housewife
Introductory Reference :—	
Name	Sajida Begum,
Occupation	School Teacher
Address	House No. H/1090, Inside Shah Alam Gate, Lahore.
A/C No.	S.B. S. 125
Signature	Sajida Begum

Signature of Manager

———

After filling in the form, Asghari Begum will fil in the required pay-in-slip (overleaf).

V. 12 A

F. 109

TRANSFER

NATIONAL BANK OF PAKISTAN

——————

15—1—1982

Paid into the National Bank of Pakistan for credit of Saving Bank Account No. s. 240 in the name (s) of ——Asghari Begum————

——————————————————

Rupee————Ten Rupees only——————————

——————————————————

as per particulars overleaf.

Rs. 10.00———

TRANSFER

Date————

Passing Official——

F. 109

TRANSFER

NATIONAL BANK OF PAKISTAN

Saving Bank Account Pay-in-Slip
(for Cheques, Drafts, etc. only)

——————

Ledger Folio———— 15-1- 1982.

Paid into the CREDIT of Account No..s.240——

in the name (s) of——Asghari Begum——————

——————————————————

(Name (s) in full)

Rupees————Ten Rupees only.——————

————on realisation as per particular overleaf.

Rs. 10.00—— TRANSFER

Receiving Clerk——————————

Date————

Scroll Transfer No.———— ————

No account number has been mentioned on the Pay-in-slip because the account has yet to be opened. An account number will be alloted to her when the Manager has signed her application form. After she has filled in the Specimen Signature Form, she will be issued a Pass Book and Cheque Book.

Specimen of Pass Book

Name of Account :	Asghari Begum w/o Shamshad Ali, House No. H/1086 Inside Shah Alam Gate, Lahore.
Occupation :	Housewife
A/C No.	A/732

Date	Particulars	Deposits Rupees	Withdrawal Rupees	Balance Rupees
15 /1/82	Cash (Account opened)	10.00	—	10.00

Operating Bank Accounts :

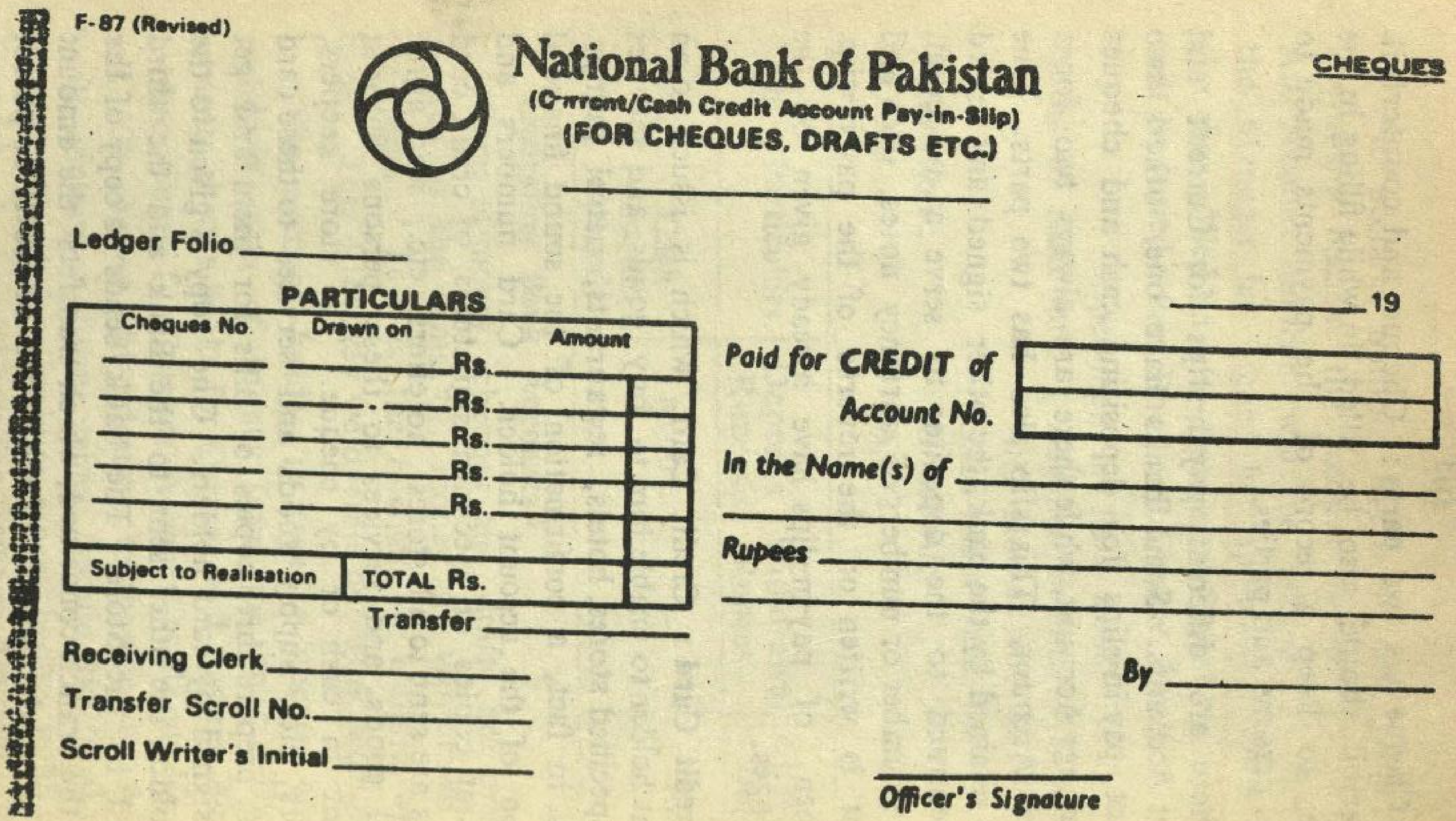
Sums of money, cheques and drafts are deposited as well as the sums of money are withdrawn from the bank. This is the business we transact with the bank. This is the way we operate our bank account.

The account holder is issued a cheque book to withdraw sums of money from the bank. There are separate cheque books for Current and Savings Account. A cheque book for Current Account contains 10, 25, 50 and 100 cheque. In addition to the cheques, a cheque book contains a form, which should be filled in and sent to the bank for obtaining a new cheque book, when required. A cheque book for Savings Account contains 10 cheques. Every cheque costs 20 paisas.

A Cheque has two parts : Cheque and counterfoil. Counterfoil should also be filled in while filling in the cheque, to keep a record of the payments made to various persons and parties.

There are different pay-in-slips for Current and Savings Accounts. Some banks have one, others two different pay-in-slips for depositing cash and cheques in a Savings Account, while there are always two for a Current Account. This slip also has two parts. One part is retained by the bank, the other signed and sealed and returned to the depositor to serve as a receipt. Cheque number or number of currency notes, date and amount is written on the reverse of the pay-in-slip. Specimen of pay-in-slips have already given on the next pages.

Credit Card : Credit Card, which is issued to an account holder to enable him to buy goods and services from specified stores, hotels, restaurants, petrol pumps, etc., is, in fact, a confirmation of the sound financial position of the account holder. Card numbers and photostat copies of specimen signatures of credit card holders are sent to all stores, hoteliers, etc., who agree to sell goods and services to these persons without payment in cash or by cheque. The store keepers, hoteliers, etc., supply goods and services to these card holders, prepare three copies of bills for them and get them signed by card holders. One copy is given to the card holder, the other sent to the Bank and the third retained by the Store. The bank sends its copy of the bill to the branch concerned, which transfers the amount of the bill to the account of the store or hotel or petrol pump concerned.



F-87 (Revised)

CHEQUES

National Bank of Pakistan
(Current/Cash Credit Account Pay-in-Slip)
(FOR CHEQUES, DRAFTS ETC.)

Ledger Folio ____________

____________ 19

PARTICULARS

Cheques No.	Drawn on	Amount
________	________	Rs. ________
________	________	Rs. ________
________	________	Rs. ________
________	________	Rs. ________
________	________	Rs. ________
Subject to Realisation	TOTAL Rs.	

Transfer ____________

Paid for CREDIT of
Account No.

In the Name(s) of ____________

Rupees ____________

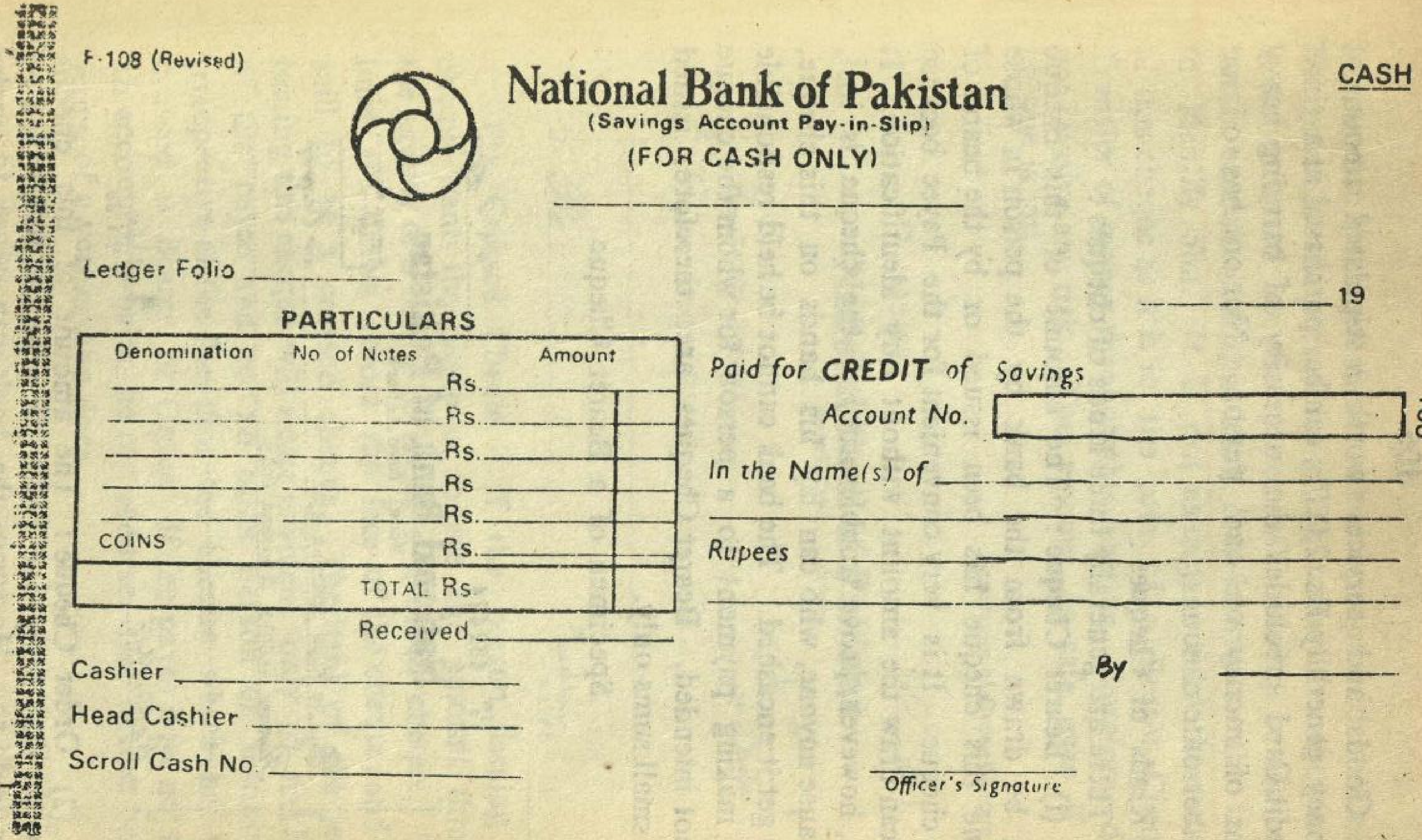
Receiving Clerk ____________

Transfer Scroll No. ____________

Scroll Writer's Initial ____________

By ____________

Officer's Signature



F-108 (Revised)

CASH

National Bank of Pakistan

(Savings Account Pay-in-Slip)

(FOR CASH ONLY)

Ledger Folio ________

________ 19

PARTICULARS

Denomination	No of Notes	Amount
________	________ Rs.	________
________	________ Rs.	________
________	________ Rs.	________
________	________ Rs.	________
________	________ Rs.	________
COINS	Rs.	________
	TOTAL Rs.	

Received ________

Cashier ________

Head Cashier ________

Scroll Cash No. ________

Paid for **CREDIT** *of* Savings

Account No. ☐

In the Name(s) of ________

Rupees ________

By ________

Officer's Signature

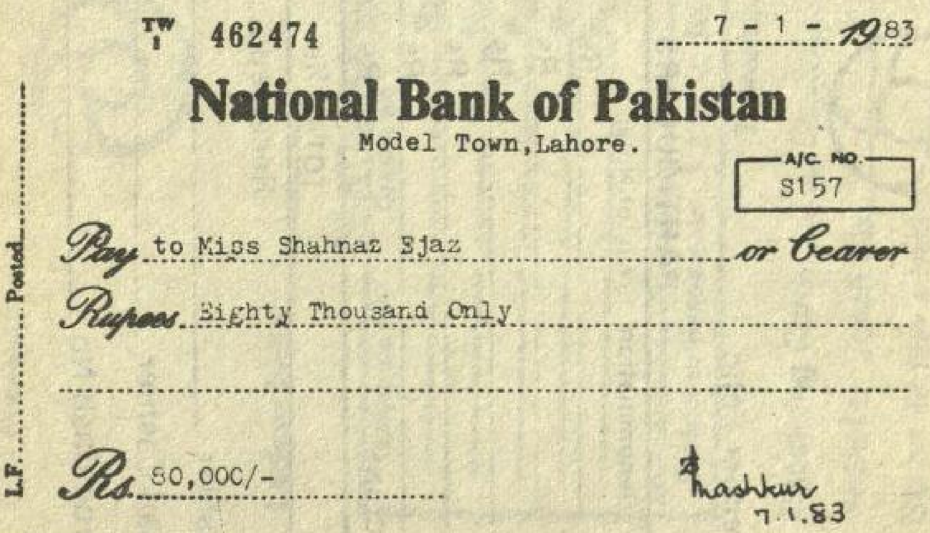
Goods and services worth a stipulated amount of money, generally Rs. 2,000/-, can be purchased at a time. Credit Card precludes the necessity of carrying heavy sums of money on one' person. Nor one has to issue cumbersome cheques.

Kinds of Cheques :

There are generally three kinds of cheques :

(i) **Bearer Cheque :** The amount of this cheque can be drawn from the bank by the person in whose name this cheque has been issued or by the bearer of the cheque. It is very convenient for the Payee because he can draw the amount without any identification, It can, however, prove troublesome, if the cheque is lost, because anyone, who can lay his hands on this cheque, can get it encashed. The bank cannot be held responsible for making payment to a person for whom the cheque is not intended. Bearer Cheques are, therefore, issued for small sums only.

Specimen of a Bearer Cheque



TW 462474 7-1-1983

National Bank of Pakistan

Model Town, Lahore.

A/C. NO. S157

Pay to Miss Shahnaz Ejaz or Bearer

Rupees Eighty Thousand Only

Rs. 80,000/-

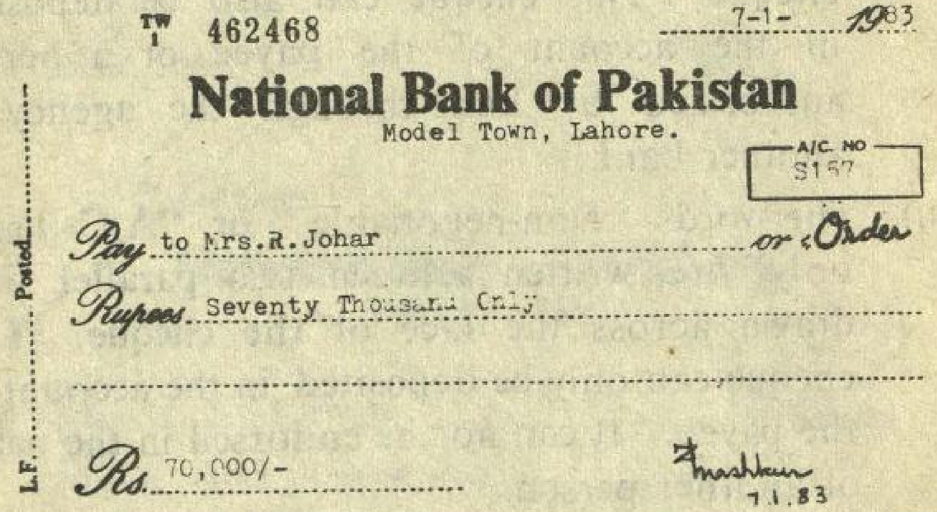
7.1.83

L.F. ...... Posted ......

(2) **Order Cheque :** The amount of this cheque can be drawn by the payee or a person authorized by him to do so. However, the bank can refuse to make

payment to either of them without proper identification. The payee or the person in whose name the cheque has been endorsed by the payee will need a person, who has an account with that bank, or is known to the bank, to identify him. It is not as easy to draw the amount of this cheque as it is in the case of a Bearer Cheque. Transfer of money through this cheque, therefore, does not involve any risk. The amount is safe even if the cheque is lost.

Specimen of Order Cheque



TW/1 462468

7-1-1983

National Bank of Pakistan

Model Town, Lahore.

A/C. NO S157

Pay to Mrs.R.Johar or Order

Rupees Seventy Thousand Only

Rs. 70,000/-

7.1.83

Posted

L.F.

(3) **Crossed Cheque**: If the person issuing the cheque wants the payee to receive the amount through the agency of a bank, he issues a crossed cheque. Two lines are drawn across the face of the cheque, and it is said to be a crossed cheque. The bank of the person issuing this cheque will make payment only to the bank of the payee and to no other person or institution, irrespective of the fact that the cheque which has been crossed is Bearer or Order. If the payee does not hold an account in a bank, he can endorse this cheque in the name of a person who does.

The amount of the cheque is secure even if the cheque is lost, because it cannot be encashed. Big business concerns and persons receiving cheques through their servants, therefore, wish to receive crossed cheques.

Cheques can be crossed in the following manner :

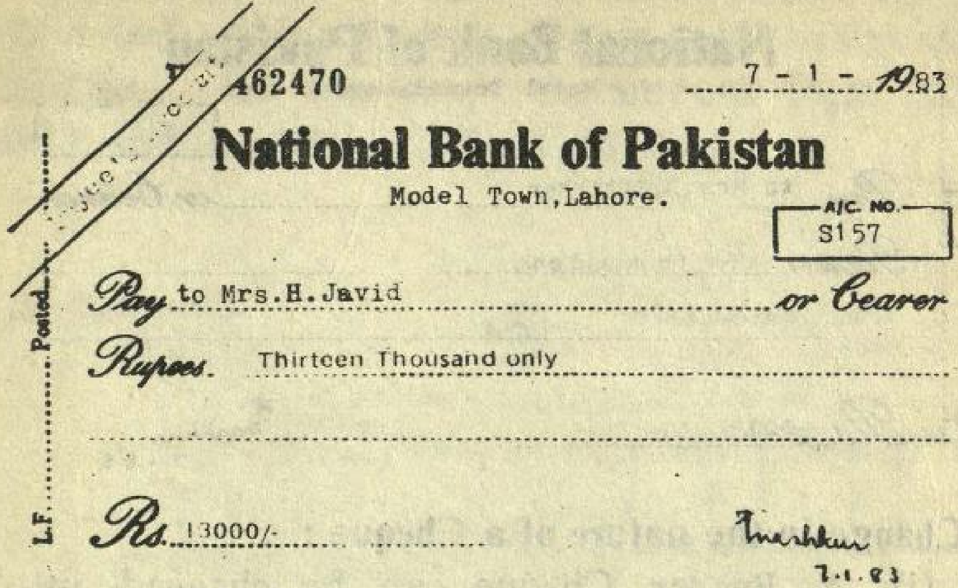
(i) Two parallel lines are drawn across the face of the cheque. This cheque can be deposited in the amount of the payee or a person authorized by him.

(ii) The words "& Co" are written between two parallel lines drawn across the face of the cheque. This cheque can also be deposited in the account of the payee or a person authorized by him through the agency of another bank.

(iii) The words "Non-negotiable" or "A/C Payee only" are written between two parallel lines drawn across the face of the cheque. This cheque can only be deposited in the account of the payee. It can not be endorsed in the name of another person.

(iv) The name of a bank is written between two parallel lines drawn on the face of the cheque. The payee can draw the amount of this cheque only through the agency of that bank. Such a cheque can be endorsed in the name of a person who holds an account in that bank.

Specimen of these cheques are given below :



462470 7 - 1 - 1983

National Bank of Pakistan

Model Town, Lahore.

A/C. NO. S157

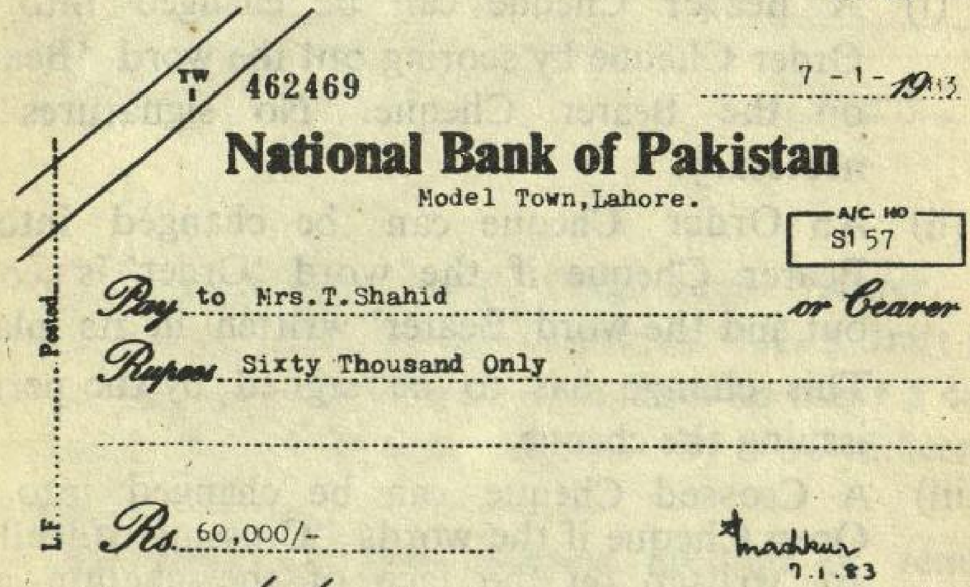
Pay to Mrs. H. Javid or Bearer

Rupees Thirteen Thousand only

L.F. Posted

Rs. 13000/-

7.1.83



TW 1 462469 7 - 1 - 1983

National Bank of Pakistan

Model Town, Lahore.

A/C. NO S1 57

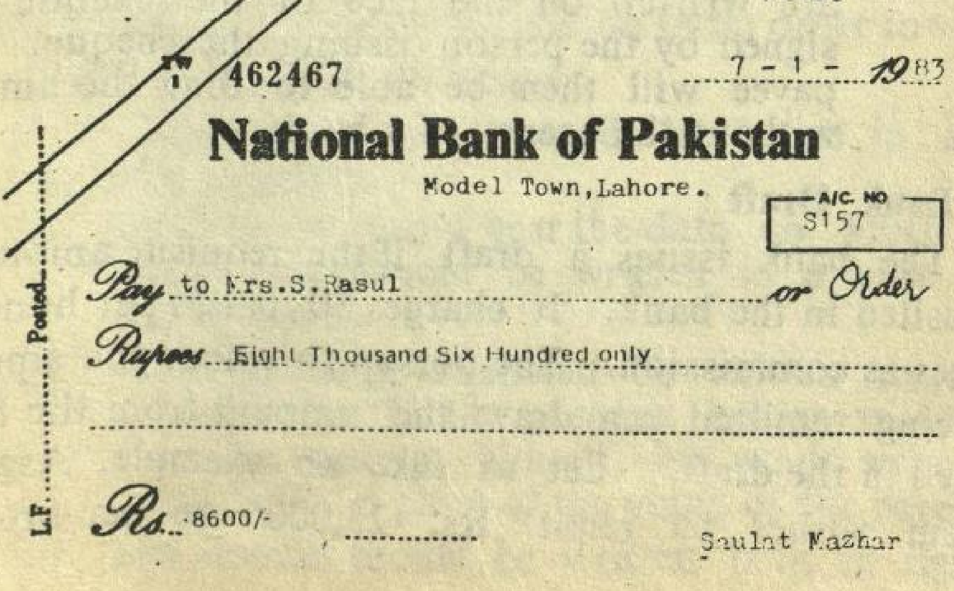
Pay to Mrs. T. Shahid or Bearer

Rupees Sixty Thousand Only

L.F. Posted

Rs. 60,000/-

7.1.83



TW 1 462467 7 - 1 - 1983

National Bank of Pakistan

Model Town, Lahore.

A/C. NO S157

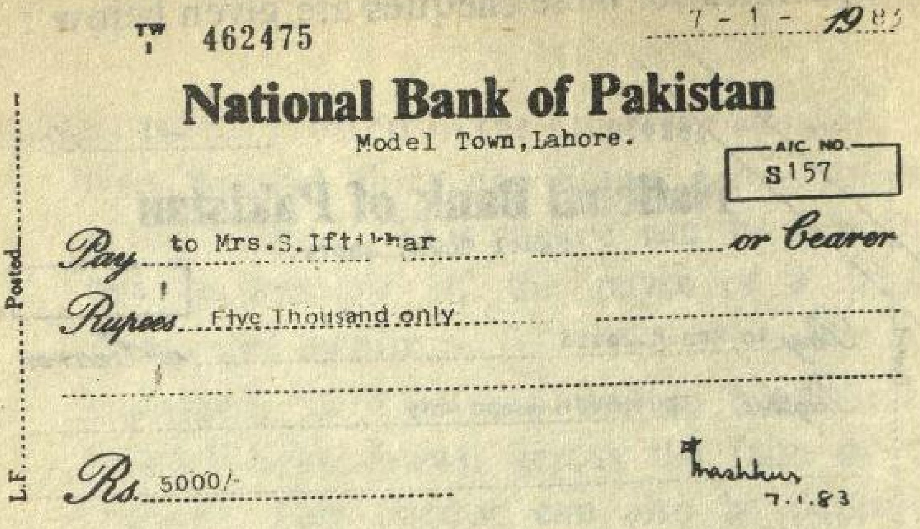
Pay to Mrs. S. Rasul or Order

Rupees Eight Thousand Six Hundred only

L.F. Posted

Rs. 8600/-

Saulat Mazhar



TW 1 462475

7-1-1983

National Bank of Pakistan

Model Town, Lahore.

A/C. NO. S157

L.F. .... Posted

Pay to Mrs.S.Iftikhar .... *or Bearer*

Rupees Five Thousand only.

Rs. 5000/-

Mashkur
7.1.83

Change in the nature of a Cheque :

(i) A Bearer Cheque can be changed into an Order Cheque by scoring out the word 'Bearer' on the Bearer Cheque. No signatures are necessary.

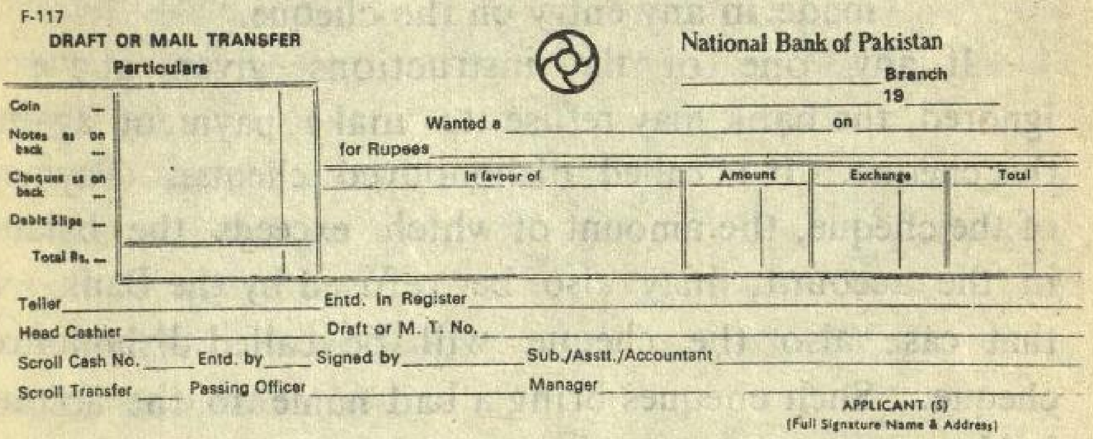
(ii) An Order Cheque can be changed into a Bearer Cheque if the word 'Order' is scored out and the word 'Bearer' written in its place. This change has to be signed by the person issuing the cheque.

(iii) A Crossed Cheque can be changed into an Open Cheque if the words 'Crossing cancelled' are written on the face of the cheque and signed by the person issuing the cheque. The payee will then be able to draw the amount without the agency of a bank.

Bank Draft :

The bank issues a draft if the requisite amount is deposited in the bank. It charges 50 paisas per hundred rupees as commission. The person to whom the amount is being remitted can draw the amount from the bank named in the draft. Let us take an example. Asghari Begum wishes to remit Rs. 25,000/- to her brother

Pervaiz Asghar in Multan. She deposits this amount and the amount of the commission in her bank. The Bank issues a draft, which Asghari Begum sends to her brother in Multan. He can draw the amount from Hussain Agahi Branch of National Bank, Multan.



F-117
DRAFT OR MAIL TRANSFER
Particulars

National Bank of Pakistan
__________ Branch
__________ 19______

Coin	—
Notes as on back	—
Cheques as on back	—
Debit Slips	—
Total Rs.	—

Wanted a __________ on __________
for Rupees __________

In favour of	Amount	Exchange	Total

Teller__________ Entd. in Register__________
Head Cashier__________ Draft or M. T. No.__________
Scroll Cash No._____ Entd. by_____ Signed by__________ Sub./Asstt./Accountant__________
Scroll Transfer_____ Passing Officer__________ Manager__________

APPLICANT (S)
(Full Signature Name & Address)

Bank Drafts are always Order never Bearer. They can be crossed if the sender so desires. As a draft is an instruction from one bank to another to make a certain payment, it is always signed by two officers of the Bank.

Bank draft is the cheapest method of remitting a sum of money to a person residing in an other town.

Method of writing a Cheque :

The following points should be borne in mind while writing a cheque.

(1) The cheque should bear the date on which it is issued. It should be written in a neat and legible hand.

(2) Name of the payee should be written correctly and neatly. If the account holder wishes to draw the amount himself, he would write the word 'self' in place of the name of the payee.

(3) The amount should be written both in figures

and words. The cheque writer should satisfy himself that the two tally with each other.

(4) Signatures should correspond to the specimen provided to the Bank at the time of opening the account.

(5) The cheque writer must sign every correction made in any entry on the cheque.

If any one of the instructions given above is ignored, the bank may refuse to make payment against this cheque. It is called dishonoured cheque. Payment of the cheque, the amount of which exceeds the balance in the account, may also be refused by the Bank. In that case also the cheque will be called dishonoured cheque. Such cheques bring a bad name to the account holder.

It is more advisable to issue Order or Crossed cheques instead of Bearer Cheques as pre-payment identification of the payee eliminates any possibility of fraud.

Cheque Book should be kept under lock and key. Number of cheques and their serial numbers should be carefully counted and checked at the time of receiving the cheque book. Any discrepancy should be brought to the notice of the bank authorities for rectification. Pass Book or statements of account should be carefully checked and kept in safe custody. The cheque writer should satisfy herself that the amount of the cheque does not exceed the balance in the account.

As already stated a cheque should bear the date on which it is issued. But in certain circumstances post-dated cheques have to be issued. Let us take an example. Shahida Khatoon, who is working as a teacher in a school, is proceeding on leave from the 28th October to the 5th November. The Head-mistress may issue her a cheque dated Ist November on the 27th October. This cheque, however, cannot be encashed before Ist November.

All particulars should be written on the cheque very clearly and neatly. No entry should be omitted. If the amount is not written on the cheque, it will be called a blank cheque. A blank cheque can prove very costly. The cheque writer should, therefore, satisfy herself that she does not issue a blank cheque.

The bank should be informed immediately, if a cheque is lost, so that the bank does not make any payment against it. Loss of Pass Book should also be reported to the bank, which will charge Rs. 1/- to issue a new Pass Book.

In the event of the transfer of account holder to another city, the bank will transfor her account to one of its branches in that city on any application from the account holder, without any cost. The account holder can use the remaining cheques.

Fixed Deposits :

In addition to Current and Saving Accounts, banks keep fixed deposits also. No Pass Book or Cheque book is issued in the case of fixed deposits. A receipt is, however, issued, which is called Fixed Deposit Receipt. This receipt bears the name and full address of the account holder, the amount of the sum deposited, the period of time for which it is deposited and the rate of interest. The amount is returned to the depositor along with the interest after the expiry of the period of the time for which it was deposited on the production of the receipt. Banks do not accept fixed deposits for less than three months. They do, however, offer attractive rates of interest for heavier amounts of money deposited for longer periods of time.

Fixed Deposit Receipt :

The amount of fixed deposit cannot be withdrawn before the expiry of the stipulated period of time, which prevents extravagance on the part of the depositor. Fixed deposit not only secures the amount deposited but also affords profit. It does not mean, however, that fixed deposit offers advantages only. It has some drawbacks also. Man's life is full of ups and downs. Good days do not last for ever. Sickness, accidents, death are part of human life. One needs money to spend on these occasions. Withdrawal of part or whole of the amount from fixed deposit becomes a problem in these circumstances. Banks have however, found a way out of this difficulty for their depositors. They allow the depositor to mortgage the Fixed Deposit Receipt and secure the required amount on loan from the bank, for which the bank charges suitable interest.

A person must hold a Current or Savings Account in the bank to deposit money in a Fixed Deposit Account. This affords the bank necessary identification of the person concerned. The bank accepts cash, cheque or a letter to the manager, asking him to transfer a sum of money from the Current or Savings Account to open a Fixed Deposit Account. No forms have to be filled in. The bank issues a receipt. Rate of interest on fixed deposits varies from bank to bank.

Specimen of Fixed Deposit Receipt

NATIONAL BANK OF PAKISTAN

V. 14
Local Principal Office
Fixed Deposit N.F.D. Lahore———————1976
Particulars

Silver, etc.			Wanted a Fixed Deposit Receipt for Rs.		
			In favour of	Period	Rate
Notes as on back					
Cheque					
Deposit slip old					
F.D.R. No.					% per annum
Rs.				Month	

Teller .... F.D.R. No. ....
Scroll ....
Cash
Cashier ...... Book ...... Acctt. ...... Manager ....
F.D. Register .... Applicant (s)

Profit and loss sharing savings Account

Savings accounts are opened, on proper introduction with sums of not less than Rs. 100/- for individuals (single or joint), charitable institutions, provident and other funds of benevolent nature of local bodies, autonomous corporations, companies, associations, educational institutions, firms, etc.

A distinctive number will be alloted to each account which shall be quoted in all correspondence relating to the account and at the time of making deposits or withdrawals. An account so opened, will, in the event of death of any one or more of the account holders become payable to the survivor or survivors without reference to the heirs of the deceased person or persons.

PLS savings account having a running minimum credit balance of Rs. 100/- would be eligible for sharing profit/loss of the bank. The rate of the profit or loss on PLS savings account shall be determined by the bank at the close of each half year in its sole discretion and the banks decision would be final and binding on the PLS account holder. The bank would be within its right to make investments of credit balances/deposits in the PLS savings accounts in any manner.

All sums to the credit of an account holder should be accompanied by a pay-in-slip showing the name and number of the account. The entry of the transactions will be verified by the initials/signatures of the bank.

Withdrawals from PLS savings accounts are allowed not often than 8 times in a calendar month and for a total amount not exceeding to Rs. 15,000/-. For withdrawals of larger amounts, 7 days notice in writing is required to be given, and the profit/loss earning products will be computed on the monthly minimum balance. Account holder can only withdraw sums from his account by means of cheques supplied to him by the bank for that particular account. Any change in the address of the account holder should be immediately communicated to the bank. The account can be tranferred from one branch to another branch of the bank free of charge, without affecting the profit/loss accruing position of the account.

If the account holder wishes to close the account, then he should present the pass book and unused cheques to the bank in order to draw the amount, but if he wishes to close the account within the period of six months from the date of its opening, then a charge of Rs. 5/- on account of cost of pass book will be made.

QUESTIONS

1. Write a short note on banking ?
2. What is the difference between cheque book, pass book and statement of account ?
3. Write short notes on Fixed Deposit, Current Account, and Savings Account ?
4. Explain different kinds of cheques. Give specimen of these cheques ?
5. Describe the method of changing Crossed and Bearer Cheques into Order Cheques ?
6. Describe the method of writing a cheque ?
7. What is the difference between a dishonoured cheque and a blank cheque ? In what circumstances is a cheque dishonoured ?
8. Write a detailed note on the difference between a bearer Cheque and an Order cheque ?
9. What steps should an account holder take when a cheque book and a pass book is lost ?
10. Describe the method of opening a Savings Account in a bank ?
11. Describe the method of opening a Current Account in a bank ?
12. How are Bank Drafts issued ? Explain with examples ?
13. Write a short note on Fixed Deposit. Explain with examples that heavier sums of money deposited for longer periods of time are more profitable ?

CHAPTER V

Purchasing and Planning :

Economic life of a family has two aspects : income and expenditure. There is little to be said about income because it is more or less a fixed entity. We cannot raise our income at our will. Expenditure, on the other hand, is flexible. We can increase our purchases or reduce them, thereby increasing or reducing our expenditure. A housewife must, therefore, be very careful about making purchases for the family. In fact economic health of the family depends on the way the housewife meet these needs of life.

There are two ways of making purchases : *adhoc* purchases and planned purchases.

Some housewives make purchases at hand when situations arise. They make decisions on the spur of the moment. They do not make any plans. Such decisions give rise to the purchase of unnecessary articles or articles they cannot afford. These housewives always complain of shortfall in income because they cannot make both ends meet. There is another category of housewives who make *adhoc* purchases. They wait for better days to come, when they will be able to meet all their needs and fulfil all their desires. They are contented with what little savings they **have**.

On the other hand, a far-sighter housewife lays down certain rules to make planned purchases. These rules are framed after thorough deliberation, not only to meet present needs, but also to make provision for days to come. The housewife who chalks out such a plan of expenditure, does not labour under any illusions. She is worried about the future and tries to fare up to the difficulties that present themselves. She chalks out a plan and makes every effort to stick to it.

Plan for making purchases cover needs spread over the whole span of life. It is worked out keeping in view present income and needs of the family. Purchases are made in such a way that immediate needs are met and the family is prepared to meet expected expenditure in the days to come. Every housewife adopts ways and means to carry out the plan according to her circumstances. There is no universal or mechanical formula which could be adopted by every family, as expenses incurred on various items vary from family to family. Even goals to be achieved differ.

Let us now discuss the methods to be adopted for carrying out the plan for making purchases. We must, however, remember that no plan can be successful unless it has been chalked out in the light of present sources of income and present expenditure. The size and duration of the plan must, therefore, be examined from the point of view of its goals, present income of the family and estimated expenditure, before it is put into operation.

The housewife should prepare budget estimates. These estimates are prepared for short periods of time to achieve smaller goals, and long periods of time to achieve bigger goals. A family therefore, prepares budget estimates for a week, a month, a quarter, a year. Each one of them eliminates avoidable expenditure. Each one of them forms part of a whole, oriented to the achievement of planned goals.

The housewife should compare budget estimates with actual expenditure at the end of the budget period. She will come to the conclusion that results are better than expected, or the same as expected, or discouraging. The former two possibilities show that the plan is a step in the right direction. In the event of the third possibility the housewife must find out drawbacks in the plan and modify and recast it. She must continue this exercise till a successful plan has been worked out. The housewife should not lose heart. Goals can be achieved with sustained hard work only.

Plans based on rules framed earlier for making purchases bear good results. But these rules may not last a whole life. . Circumstances may change. Sources of income may show an upward trend. Some items of expenditure may become obsolete giving place to newer items. Plans and the rules governing them must therefore, be changed to meet the demands of the new circumstances. Goals remain the same. Only new paths have to be found.

The housewife may face some difficulties in the implementation of the plan for making purchases. Members of the family, who are affected directly by the plan, may not react favourably to the policies being pursued by her. Some other elements e.g. servant and relatives may also object to the course of action followed by her. The housewife would not be discouraged by such criticism. She should, on the other hand, try to convince members of the family that the plan is designed to bring prosperity to the family, so that members of the family help her in her endeavours. Some housewives try to avoid such situations by concealing their plans.

This course of action is liable to create misunderstanding and mistrust among members of the family. It should, therefore, be avoided.

A plan for making purchases does not, however, mean that a housewife should stop spending money even on necessary articles. It only means that members of the family should not indulge in avoidable expenditure, that they should exercise moderation and use discretion in making purchases, so that some amount is saved for meeting more urgent needs.

Buy when you need :

Necessities of life include food, clothes and residence. A housewife must buy flour, rice, pulses, vegetables, etc., for members of the family to eat, and whatever kinds of clothes she can afford to wear. She must rent a house to live in. She cannot ignore the education of her children. Every housewife sets apart a sizable income of her family to defray these expenses when she prepares her budget. She avoids spending money on items, she can do without, if her income does not permit her to do so.

Budget estimates guide a housewife in regard to the expenditure she must incur and the one she must avoid. .These estimates keep her from exceeding the limits of her icome. Ideal budget is one which enables a housewife to save some money for future needs. Housewives, who do not distinguish between avoidable and unavoidable expenditure and do not try to remain within the limits of their income, exhaust their resources before the month is over. Discreet women, on the other hand, are very careful in spending money. They do not go in for anything they can do without. It is, therefore, imperative for every housewife to be sure that she cannot do without an article and that she has the wherewithal to buy it, before making any purchases. In this way she will not only be able to balance her budget, but also have some savings.

Articles bought without consideration of needs remain unused and so often grow out of fashion. The amount, which could have been utilized for more urgent needs of the family, is thus wasted. Every housewife should, therefore, exercise maximum possible discretion in making purchases. She should also be sure that urgent needs of the family do not suffer while incurring expenditure on items of entertainment.

"Buy when you need" is the watchword.

Short term and long term planning : Modern civilization has added to the needs of every family. Newer kinds of articles are coming into the market with very advance in science and technology. Economic development is affecting a lot to our standard of living. A large number of families are going in for such articles, the use of which was confined only to a few well-to-do families. Every housewife wishes to provide her family with better food, better clothes, furnished house, motor car, telephone, servants, etc. There are carpets, refrigerators, television sets, radio, tape recorders, air conditioners, fans, heaters, electric irons, sewing machines, watches, ornaments, crockery, etc. for anyone and everyone to buy. Education and training of children and their marriages, illness, and unexpected expenditure has to be provided for. In addition to this, some of the gadgets entail additional recurring expenditure-petrol for cars and motor cycles, electricity for fans, television sets and referigerators etc. Provision has to be made for their repairs. All these articles cannot be acquired immediately. Expenditure on various purchases should therefore, be so planned as to enable a family to buy these articles one by one, so that the family can lead a comfortable life.

Short term plans: Short term plans envisage savings on the purchase of articles of daily use. This can be done by curtailing expenditure on unnecessary items. Number of dishes can be reduced to one or at the most two—that too, perhaps, occassionally. Soft drinks like squashes etc. can be prepared at home from seasonal fruits. Washing can be .done by members of the family themselves. Vegetables can be grown in the courtyard, if possible. Savings can also be affected by reducing expenditure on electricity, telephone, etc. Clothes, particularly of children, can be sewn at home by the housewife herself.

Expenditure can also be limited to a reasonable extent by being careful and discreet in the purchase of articles. Articles which can last a whole month, can be bought from the wholesale market. Some articles like wheat and rice can be stored for the whole year.

These are some of the elements of short term plans which can prove very helpful in affecting savings for the purchase of articles included in the plan, priorities for which should be fixed very carefully. Articles, which bring maximum comfort to the family should take precedence over others.

Short term plans can extend to periods of six months to two to three years. But the most suitable period for a short term plan is one year. This is so because income tax, property tax, insurance premium, etc., have also to be paid generally on yearly basis.

Long term plans : Long term plans are made to meet needs, which require large sums of money. Short term plans extending over one to three years cannot do because large sums of money cannot be saved during these short periods of time. Long term plans vary from family to family, e.g , a family, which owns a house, does not need a plan to build a house. The size of a house, however, always depends on the number of members of a family and their resources. Needs of children are limited when they are small. They continue to grow with age. It is always, therefore, advisable to make an estimate of their needs on a long term basis and save enough money to meet them. Money saved through long term plans can also be used for meeting unexpected expenditure.

A long term plan covers a period extending over 15 to 20 years. This plan, however, does not exclude short term plans. Both should be pursued simultaneously. One should not be allowed to affect the other adversely.

The amount saved through a long term plan should be expended very carefully. Actually this needs yet another plan. Let us take the case of a house. We must take into account quite a number of things before we decide to buy or build a house. First of all the city and then the locality has to be decided upon. Before doing this we must take into account the condition of roads in the locality, means of communication, availability of markets, hospitals, schools and colleges at manageable distances, sanitation, etc. Area on which the house should be built, number of rooms and windows and ventilators should also be borne in mind. In the event of the purchase of a house, we must inquire into the reasons why the owner is selling it, when the house was built, the condition of the house and the repair it needs, general reputation of the people living in the neighbourhood, etc. All these things should be taken into consideration before buying or building a house.

Articles, which last longer, should be purchased from reputed firms. Purchase deed should be carefully examined. It must guarantee replacement of some parts and repairs for a fixed period of time. Articles of good standard should be purchased. Cheap articles do not last long. Some expert should be consulted before making such purchases, so that the article does not become a source of worry and the money spend on it is not wasted.

Marriages pose problems for every household. Housewives are generally found worried about expenditure on various ceremonies connected with marriages. Most of them spend money on these ceremonies because they have a false sense of honour of the family. Some of them go on making purchases for a marriage for years on end. Some of these articles grow out of fashion, while others are broken or spoilt. This is an out-dated custom, which does not respond to the needs of present day fast-moving world. Savings done for marriages should, therefore, be invested in some profitable ventures. The profit earned on these savings will off-set any increase in prices.

Obtaining the worth of one's money :

It is very difficult to earn money. It should, therefore, be spend very carefully. It is more difficult to spend money discreetly than to earn it. The housewife must, therefore, make every effort to get the worth of her money while making purchases.

Buying and selling is, in fact, a battle of wits between the buyer and the seller, in which the seller wants to get the maximum money for his article and the buyer maximum worth of her money. Buying and selling, is, therefore, an art, which is learnt only through practice.

Rules for making purchases :

The following points should be borne in mind while making purchases :

1. The housewife should keep herself informed of the market rates and make purchases when rates are competitive.
2. Commodities, which can last a whole year, should be bought at harvest time, when their rates are competitive and quality better.
3. Articles required in larger quantities should be purchased from wholesale dealers to save the amount of the retailer's profit.
4. Articles which can be obtained from a factory or a mill directly, should be bought from there.
5. Articles like wheat, rice, ghee, firewood, coal, etc. should be purchased in quantities which would last the whole month, instead of making *adhoc* purchases.
6. No article should be bought unless absolutely necessary.
7. Articles should be bought by the housewife or a member of the family herself/himself instead of buying them through a servant. It ensures buyer's choice and competitive rates.
8. Reputation of the firm manufacturing an article should be taken into consideration while

making purchases. It obviates the possibility of any loss or fraud.

9. The housewife must consult two or three stores before making purchases to ensure good quality and competitive rates.
10. Good quality should be preferred to low rates of an article. Costly but good quality articles are more economical.
11. Purchases should be made on cash payment. By cash payment the shopkeeper charges less.
12. Articles bought or changed should be checked before leaving the store.
13. It is better to get some articles made on order They last longer and are better in quality. These articles include shoes, furniture etc.

System of making purchases :

Articles can be purchased in the following manner :

(1) Cash Purchase.
(2) Credit Purchase.
(3) Instalment System.
(4) Hire Purchase System.

(1) Cash Purchase : The buyer makes immediate payment for articles purchased. It is the best method. It keeps one away from extravagance and unnecessary purchases.

(2) Credit Purchases : The housewife continues to make purchases during the month without making payment. The shop-keeper maintains a record of the articles bought by the housewife, who makes the payment after the month is over.

It is quite a convenient method. But the housewife cannot pick and choose. She has to see that what is available with that particular shop-keeper. Some shop keepers even charge more from such customers. There is one more drawback. The housewife is apt to buy articles, which she could otherwise do without.

(3) **Instalment System :** An article is purchased for an agreed sum, but only a part of that amount is paid at the time of making the purchase. The remaining amount is paid in (monthly or quarterly) instalments. The article becomes the property of the buyer immediately. In the event of non-payment of instalments, the seller can have recourse to law and claim the amount, but he cannot claim ownership of the article. It is, however, the moral duty of the buyer to pay the instalment regularly.

Generaly motor cars, radio and television sets, sewing machines, bicycles, etc. are purchased on instalment basis. The only advantage of this system is that the buyer does not have to pay the whole amount at one time. It appears to be a very attractive system. But, in fact, it is very harmful because the shopkeepers charge a much bigger amount than the real cost of the article. It is better to borrow the amount from a bank or a society to pay for the article instead of buying it on instalment basis, although borrowing money in itself is not a very edifying business.

(4) **Hire Purchase System :** It is another form of buying an article on instalment basis with the difference that in Hire Purchase System, the buyer acquires ownership of the article only when he has paid all the instalments. In fact the buyer agree, in writing, that he would hand over possession of the article to the seller in the event of his failure to pay the instalments and that the amount already paid would be adjusted against the rent of the article. The article, however, becomes

the property of the buyer as soon as he has paid all the instalments.

Method of making Purchases :

The following methods are generally employed for making purchases :

1. Buying personally on the spot.
2. Buying through servants.
3. Buying on order.
4. Buying through broker.

(1) Buying personally on the spot : The best method of making purchases is to visit the market personally and select articles of one's choice. Most people employ this method. They go to the market, visit a few shops, compare the quality and rates of different articles available at various shops and buy the articles of their choice. This method affords the buyer an opportunity to select the article from a wide variety of colours, designs and sizes, etc. Frequent visits to the market also add to the buyer's information about various articles and their prevalent rates,

Hawkers visit streets in towns as well as villages to sell a variety of articles like cloth, vegetables, fruits, etc. In this case the buyer does not have to visit the market, but her choice is limited to the articles that the hawker offers. Also, the buyer' cannot be very sure about the rates of these articles.

(2) **Buying through servants :** Sometimes a housewife has to employ one of her servant to make some purchases for her on account of certain pre-occupations. In such a contingency the housewife must prepare a list of such articles, in which the names and prices of the articles should be mentioned. Servant should be employed to purchase only those articles, in the case of

which choice of colour or design does not have to be made and whose prices are fixed, because the servant cannot be expected to visit a number of shops to ascertain the quality and rates of these articles. It is no doubt very convenient to make purchases through servants, but the housewife does not receive the worth of her money.

(3) **Buying on Order** : A housewife can place an order with a shopkeeper outside her city to send her an article, which is not available locally. The order should be complete in all respects. It should include :

1. Names of the articles, their quality and kind.
2. Number of articles.
3. Rates and prices of the articles.
4. Full address of the buyer.
5. Instructions about despatch of the article, viz, by post, by passenger train or by goods train.
6. Mode of payment in cash or on credit.

A copy of the order should be retained by the buyer, so that contents of the parcel could be easily verified.

Note : In the absence of specific instructions in regard to (5) and (6) above, the shopkeeper would despatch the articles per V.P.P. In case, however, the parcel is heavy, the shopkeeper would despatch the articles by passenger or goods train and send the Railway Receipt per V.P.P.

The amount remitted in advance, if any, should be mentioned in the Order.

Order for the purchase of articles can be placed with local dealers also. The shop keeper would send the required articles and charge the amount later, in case he is personally known to the buyer. If however, the shop keeper is not known to the buyer, he would hand over articles only when the payment is made.

Buying articles on order always costs more to the buyer because the shopkeeper takes advantage of the absence of the buyer and charges higher rates.

Certain articles, like shoes and furniture, are made on order. Some amount is paid to the manufacturer in advance and the remaining at the time of the delivery of the articles. Samples of the articles along with instructions, if any, should be provided to the manufacturer before hand. It is also advisable to settle the prices of articles before hand.

(4) **Buying through broker :** Sale and purchase of houses, shops and lands is done in big cities through brokers. They charge commission from both the seller and the buyer for services rendered. It is always useful to acquire their services because they are very skilled and experienced in this kind of work.

Method of Making Payments :

Payment for articles purchased can be made in a number of ways :

(1) **Payment in Cash :** Payment is made in currency notes and coins. This method is adopted when purchases are made in person and the amount involved is not very big.

Cash in the form of currency notes can also be sent by insured post. The shop keeper should be informed of the purpose for which the amount has been remitted, through a separate letter. The receipt issued by the post office should be kept in safe custody.

(2) **Payment by Cheque :** The method of making payment by cheque is becoming very popular,

although the method of making payment in cash remains the best. The shopkeeper accepts a cheque from a buyer only if he is known to the shopkeeper. Shopkeeper do not accept cheques from strangers.

Payments to shopkeepers in other cities can be made in one of the following ways :

(3) **Payment by Postal Order :** The buyer buys a Postal Order of the amount required to be remitted to the shop keeper and sends it to the shopkeeper by post. The method can be employed only for small amounts.

(4) **Payment by Money Order :** The amount can be remitted by Money Order.

(5) **Payment by V.P.P. :** The buyer requests the shop keeper to send the articles per V.P.P.

(6) **Payment by Bank Draft :** Payment is made by Bank Draft if the amount to be remitted to the shop keeper is big.

Price List :

Many shopkeepers prepare lists of articles available at their stores along with their prices. This list is called Price List. The list bears photographs and essential information about some articles, which bring out the qualities of the articles. Shopkeepers send these lists to their patrons. These lists can be sent for by post also. The shopkeeper is duty-bound to sell articles at the rates printed on the price lists. The housewife should consult price list of a number of shopkeepers and decide in favour of a store which offers good quality articles at competitive rates.

Shopkeepers do not print lists of commodities like wheat, rice, gur, sugar, ghee, oil, etc, because their prices fluctuate from day to day. Rates of these commodities are, however, published daily in newspapers and broadcastedover the radio net-work for the information of buyers.

Receipt :

When transaction involving money between two persons is reduced to writing, it is called a Receipt. A receipt is issued by the person receiving the amount in favour of the person making the payment. It bears (1) name of the person making the payment (2) amount of money paid (3) purpose of making payment (4) date on which the payment is made, etc. The receipt is signed by the person receiving the amount.

It carries a revenue stamp worth 15 paisas if the amount ranges between Rs. 20/- and Rs. 99/- ; 40 paisas if the amount is Rs. 100/- or above ; and 80 paisas if the amount is Rs. 2,000/- or above.

Specimen of Receipt

Received Rs. 250/- (Rupees two hundred and fifty) only from Shaikh Fazal Karim in payment of Bill No. 365 dated April 4, 1975.

Dated : April 4, 1975

Revenue Stamp
Sd. Shujauddin

Manager, Fancy Stores,
Dabbi Bazar, Lahore

Cash Memo :

A shop keeper issues a cash memo when payment is made in cash for some purchases. It bears the following particulars :

1. Name and address of shopkeeper.
2. Date of purchase.
3. Kinds of articles.

4. Rates.
5. Cost of different articles.
6. Total amount.

The buyer should check the cash memo carefully before making payment, with particular reference to the following points :

1. Whether the amount charged corresponds to the rates offered.
2. Whether the totals are correct.
3. Whether any discount has been given.
4. Whether the grand total is correct.
5. Whether the shopkeeper has signed the cash memo.

Cash memo amounts to a receipt issued by the shopkeeper to the effect that he has received the amount in cash. We can keep a record of the articles purchased with the help of a cash memo.

Specimen of a Cash Memo

Hashmi Brothers, Kashmiri Bazar, Lahore

No. 297 Dated : Feb 1, 1975

S. No.	Quantity	Particulars	Rate	Amount (Rupees)
1	6	Vests	Rs. 5/-	30.00
2	8	Towels (large)	Rs. 6/-	48.00
3	4	Handkerchief (Silk)	Rs. 3/50	14.00
		Total :		92.00
		Discount 5%		4.60
		Balance :		87.40

Sd. Nasir Ahmad
for Hashmi Brothers.

Bill :

If a housewife buys some articles from a shopkeeper on credit, he sends her a bill bearing (1) Name and address of the buyer. (2) date of purchase. (3) quantity of article. (4) particulars of articles. (5) rate. (6) total cost, etc. The shopkeeper or one of his salesmen writes the words 'Payment received' on the bill and signs it, when the payment is made by the buyer, or issues a separate receipts. He fixes a revenue stamp, if necessary.

Specimen of a Bill

No. 167 Dated : January 17, 1975

To

Sheikh Alimuddin
104 - Peoples Colony, Faisalabad

From

Nawab Cloth House,
Rail Bazar, Faisalabad

S. No.	Particulars	Quantity	Rate	Amount (Rupees)
1	Printed Cotton	14 metres	Rs. 5/- per metre	70.00
2	Cotton	10 ,,	Rs. 4,- ,,	40.00
3	Long Cloth	5 ,,	Rs. 4/- ,,	20.00
	Total :			130.00
	Discount 10%			13.00
	Balance :			117.00
	Packing charges			1.25
	Amount payable			118.25

Sd/- Nawab Din
Prop : Nawab Cloth House

Invoice :

When a housewife places an order with a shopkeeper in another city for some articles, she sends him a list of articles containing their particulars with the parcel. This list is called the invoice. It is as good as a bill, with the difference that the invoice always accompanies the articles, so that the buyer can verify the contents of the parcel.

Verification of articles and Invoice :

The housewife must check the invoice and the articles on receipt of the parcel, with particular reference to the following points :

(1) She should compare the invoice with the copy of the order placed with the shopkeeper.

(2) She should make sure that the parcel contains all the articles mentioned in the invoice.

(3) She should check the rates at which the articles have been supplied.

(4) She should check the calculations and totals, etc.

(5) She should check whether the shopkeeper has given some discount.

(6) She should make sure that the shopkeeper has deducted the amount remitted in advance from the amount of the bill.

(7) She should check the amount payable.

(8) She should make sure that the shopkeeper has signed the invoice.

She should make the payment after she has satisfied herself about entries in the invoice. Discrepency, if any, should be brought to the notice of the shopkeeper.

Account :

If a housewife purchases articles from a shop keeper on credit, he sends her bills from time to time. At the end of the month he informs her of the amount due to her, through what is called the account.

Specimen of an Account

No. 16 Dated : Feb. 1, 1975

To

Mian Hussain Bukhsh
3 Fane Road, Lahore

From

Ghulam Rasul & Sons,
Temple Road, Lahore

S. No.	Date	Particulars	Amount (Rupees)
1	Jan 3, 1975	Articles according to Bill No. 57	24.60
2	Jan 9, ,,	,, ,, No. 102	37.40
3	Jan 18, ,,	,, ,, No. 215	19.65
4	Jan 28, ,,	,, ,, No. 300	8.25
		Total :	89.90

Sd. Ghulam Rasul
for Ghulam Rasul & Sons.

Detailed Account : Sometimes shopkeepers give brief particulars of the bills in the account. This is called Detailed Account.

Specimen of Detailed Account

To : Mr. Zaka-ud-Din, 3-A Cooper Road, Lahore
From : Ahmad Din & Sons, Cloth Merchants, Anarkali, Lahore.

Serial No.	Date of Purchase	Particulars	Amount (Rupees)
1	Feb. 6, 1975	Latha, 6 metres (Rs. 18) Plain Cotton 4 metres (Rs. 20)	38.00
2	Feb. 13, 1975	Long Cloth (Latha) 7 metres (Rs. 21) Poplin 3 metres (Rs. 12)	33.00
3	Feb. 19, 1975	Voile, 4 metres (Rs. 16) Boski 2½ metres (Rs. 20)	36.00
4	Feb. 27, 1975	Crepe, 7 metres (Rs. 35) Gumti, 3½ metres (Rs. 7)	42.00
		Total :	149.00

Sd. Siraj-ud-din
for Ahmad Din Sons

The housewife should keep the bills sent by the shopkeeper in safe custody and check the monthly account with the bills. She should inform the shopkeeper of discrepency, if any, immediately and get it rectified.

Moral Obligations of Consumers :

Man's life is spent in meeting needs of life. Basic needs include food, clothing and shelter. Newer dimensions have been added to these needs by modern civilizations, which has created a permanent and deeper relationship between the consumer and the market. In economics the word market is used in a much wider meaning than generally attached to it. All relationships involving any kind of transaction, without any restriction of place or distance, are called market. Constant increase in the needs of our life and the vast meaning attached to the word market have widened the scope of moral obligations of the consumers. They must, therefore, make every effort to discharge the obligations.

A consumer should be honest. He should always refrain from practicing deception on a shopkeeper. Some consumers take advantage of the pre-occupation of the salesman and leave the store surreptitiously without making any payment. Such behaviour brings the consumer into disrepute. Honesty is a great quality, without which no business transactions can take place.

Some consumers indulge in unnecessary arguments with the shopkeepers. They threaten them and use abusive language. Such unseemly conduct results in loss of respect for the consumer. We should, therefore, treat the shopkeeper courteously and address him with respectful words.

Some consumers handle articles in the stores carelessly, so much so that some articles are sometimes broken or spoiled. This results in loss to the shopkeeper. The consumers should have a look at the articles, but with care. They should call salesmen to their assistance.

Some consumers place orders for some articles with firms or companies, but refuse to accept V.P. Parcels sent by them. This results in loss of time and money to the company. Some consumers go to the extent of playing a practical joke on the firms by placing an order with them to send some articles to a fictitious address. Such pranks and jokes breed mistrust and doubt, which is so harmful to commercial activity.

Some people steal things from the stores. Even literate and well-dressed persons sometime deceive the shopkeepers. They purchase articles, say worth Rs. 20/- and take out a ten rupee note from their pocket, excuse themselves and assure the shopkeeper that they would send the remaining amount through their servant within a matter of minutes. But they never come back. Naturally shopkeepers stop trusting the whole class of consumers.

Sometimes shopkeepers commit mistakes. They give more articles than they charge for. Or they return more change than they should. In such cases, it is the moral duty of consumers to return the articles or money paid in excess.

The consumer must be honest, polite, courteous, soft spoken and correct in their dealings with shopkeepers. This kind of behaviour is sure to create an atmosphere of trust, and foster good relations between the consumers and sellers.

Characteristics of Consumers :

Purchases made by consumers depend on their needs, likes and dislikes, and their capacity to make purchases. However, every consumer wishes to buy the best possible articles. According to established rules for making purchases, he buys more if the prices are low, and less if the prices are high. But this rule does not apply in certain circumstances.

(1) **Basic Necessities :** The quantity of basic necessities of life, e.g., flour, rice, vegetables, pulses, sugar, ghee, soap, milk for children, etc. cannot be decreased with increase in their prices. The housewife must buy the quantity her family needs. She cannot help it.

(2) **Festivals and Customs :** The two Eid festivals, birthdays, engagements, marriages, etc. have special significance for women. They indulge in extravagance and unnecessary expenditure on these occasions. Some women spend even beyond their capacity.

(3) **Additional needs :** Some articles of use involve additional recurring expenditure, without which they would not function, e.g. a transistor radio would not function without battery cells, radio and television sets without electricity and licence fees, sewing machine without thread, car and scooter without petrol, camera without film, etc. etc.

(4) **Change in Fashions :** Consumers do not hesitate from spending more on articles included in fashion. They do not go in for articles which are out of fashion even though they cost less. Such articles include garments, shoes, furniture, etc.

(5) **Habits :** Consumers do not care for increase in the prices of articles to which they are habituated, e.g., tea, coffee, cigarettes, etc. They prefer habits to the expenditure that they have to incur on them.

(b) **Social Status :** Some consumers, specially women, are very sensitive about social status and honour of the family. They do not like to make purchases from ordinary stores. They always select costly articles. They are proud of buying uncommon and costly dresses and ornaments. They do not follow any rules for making purchases. Their only pre-occupation is social status and popularity among a circle of friends.

(7) **Hobbies :** Some consumers do not care for expenditure so long as it satisfies their addiction to their hobbies, e.g. stamp collecting, coin-collecting, drawing, painting, etc.

(8) **Change in Weather :** Needs of consumers change with change in weather, e.g. need for warm clothes for winter and lighter clothes for summer, use of tea in winter and cold drinks and ice in summer.

(9) **Increase or decrease in income :** Most of the purchases are determined by the income of the consumers. Decrease in income not only decreases the quantitative purchase of some articles, but also eliminates the purchase of others. Increase in income causes increase in the purchase of some articles and adds newer articles to the list of purchases.

(10) **Attitude towards indigenous and imported goods :** Some consumers prefer imported goods to locally manufactured ones. They regard the later kind as defective, cheap and sub-standard. Such consumers mostly include women and young men. There are, however, some elements in the society who consider that indigenous goods are comparable to any in the world. They patronise these goods.

QUESTIONS

1. **Why is planning so necessary for making purchases ?**
2. **How are purchases planned ?**
3. **Describe the difficulties faced by housewives, who make unnecessary purchases ?**
4. **What is long-term planning and short-term planning ? Why is it necessary ?**
5. **What are the points we should bear in mind while making purchases so that we receive the worth of our money ?**
6. **What do you know about short-term planning ?**
7. **How is long-term planning done and why ?**
8. **What do you know about various systems of purchases ? Which system do you consider best and why ?**
9. **What are the methods of making purchases ? Which method do you consider best and why ?**

10. Describe various methods of making payments. Which method do you consider best and why ?

11. What are the methods of remitting money ? What method would you employ to send the following amounts :
Rs. 10/-, Rs. 12/-, Rs. 47/-, Rs. 120/60, Rs. 854/-.

12. A housewife wants to buy the following articles :
Dressing table, books for library, vegetables and meat for daily use, radio set, gold, a plot of land for building a house, a pair of shoes for the youngest child.
What methods should she employ to acquire these ?
How should she make payment ?

13. Define Cash memo, bill and invoice and bring out the difference between the three. Why is it necessary to check these ?

14. Write short notes on the following :
(a) Instalment System of making purchases.
(b) Hire purchase System.
(c) Receipt:

15. How would you check the invoice and goods you ordered from a shop in another city ?

16. Prepare a cash memo for the following articles. Calculate the amount payable :
(i) 80 kgs. of gur @ Rs. 300/- per quintal.
(ii) 2 Q. 40 kgs of wheat @ Rs. 60/- per quintal.
(iii) 80 kgs. of rice @ Rs. 300/- per quintal.
(iv) 10 kgs. of tea @ Rs. 16.50 per kg.
Discount 10%.

17. Headmistress, Islamia Girls High School, Sahiwal, purchased the following articles from M/S Karim & Sons, Saddar Bazar, Sahiwal. Prepare the bill.
(i) 3 reams of paper @ Rs. 1/25 per ream.
(ii) 42 nibs @ Rs. 1/20 per dozen.
(iii) 432 envelopes @ 2/20 per gross.
(iv) 18 pencils @ Rs. 3/60 per dozen.

18. Prepare a bill for the sale of following articles. Indicate the date, place and name of your choice :
(i) 15 umbrellas @ Rs. 37/50 per umbrella.

(ii) 24 handkerchief (simple) @ Ps. -/95 per handkerchief.
(iii) 18 ,, ,, (silken) @ Rs. 3/75 per handkerchief.
(iv) 28 ,, @ Rs. 3/50 per vest.
Discount 12½%.

19. Begum Hameed, headmistress, Govt. Girls High School, Gojra, placed an order with 'Adabi Kitab Khana' Urdu Bazar, Lahore, for the purchase of following books :
(i) 5 copies of 'Tarikh-i-Pakistan' @ Rs. 30/- per dozen.
(ii) 24 ,, ,, 'Ilm-us-Sehat' @ Rs. 1/50 per copy.
(iii) 42 ,, ,, 'Amli Science' @ Rs. 1/25 per copy.
(iv) 16 ,, ,, 'Ikhtiyari Riazi' @ Rs. 2/75 per copy.
The shopkeeper allowed 10% commission. Prepare an Invoice ?

20. Prepare an invoice for the following articles. Write the date, places and names of your choice :
(1) 25 pairs of slippers @ Rs. 15/75 per pair.
(2) 30 ,, ,, chappals @ Rs. 20/14 ,, ,,
(3) 16 ,, ,, boots @ Rs. 50/50 ,, ,,
(4) 21 ,, ,, Lifty @ Rs. 27/45 ,, ,,
The shopkeeper allowed commission at 10% and charged Rs. 15/30 as packing and transport charges.

21. Prepare a cash memo with the help of following particulars : Farzana purchased 2 litres of Dulux paint @ Rs. 110/- per litre, 3 brushes @ Rs. 18/- per brush, 2 litres of turpentine oil @ Rs. 5/- per litre and 6 polish tins @ Rs. 3/- per tin, from 'Sunrise Paint House', 60 Main Market, Gulberg, Lahore, on May 3, 1976.

CHAPTER VI

Post and Telegraph Offices

The Post Office Department is an essential part of our civilization. Every one, whosoever he may be, needs it. Who has not been out of his village or city and has not been in need of knowing the welfare of his relatives? The usefulness of a post office is not confined to the fact that it enables us to know the welfare of our relatives, but there are other reasons to make it so, and these reasons are connected with the international, commercial and cultural relations. Its importance has increased since the invention of telegraph, telephone and wireless. We can know the welfare of our relatives, market rates and political and cultural situations in other countries etc. by spending a little amount of money, although we might be at a great distance. We can inform a relative away from us about some happy or sad incident. We can provide immediate help to a friend or a relative in some other country who has become short of money. We can get aid at the time of some calamity within the country or from outside. The news which would have reached us in months or years about a century ago, now reaches us in hours rather minutes. We can get the results of sports competitions and matches in far off countries in minutes with the help of radio and teleprinter.

A department of communications is an important department in any country, and is usually under the central government. In Pakistan too the Department of Post and Telegraph is under Central Government. The highest officer of this department is the Director General Post and Telegraph whose office is in Karachi. There are Regional Post Master Generals who supervise the work of their subordinate officers. There are General Post Offices in big cities like Karachi and Lahore. Similarly there are post offices in every city and town, and small post offices and sub-post offices work under them. Every big village has a sub-post office and every small village a branch post office. In big cities, there are separate offices for post and telegraph, but in small cities these offices are combined. The sub post offices too work as post and telegraph offices at the same time while the branch office is only a post office.

Functions of the Post and Telegraph Departments

The Post and Telegraph Department is a very important organ of the Government of Pakistan. It has its branches all over the country. All these branches serve different commercial and governmental organizations in addition to providing facilities to the common man. All post and legraph offices in Pakistan perform the following important functions and services :

1. **Despatch of the Post** : The most important function of this Department is to despatch the post, which includes post cards, envelopes, book-post, registered letters and packets. The Post Office Department arranges to despatch the post inside as well as outside the country. It is also responsible for the distribution of the foreign post as well as the despatch of post addressed to the other countries.

2. **Despatch of articles :** Articles in limited quantities and of lesser weight can also be sent through the post offices. These articles are sent from one place to the other in the form of parcels according to the rules of this departmunt. The employees of the Department themselves convey these parcels to the addresses. Parcels addressed to the foreign countries are also accepted by the post offices.

3. **Remittance of Money :** The post offices also arrange to remit money from one place to another. Limited amounts of monev can be sent by means of money orders or postal orders. When the money is sent by money order, the Department itself takes the responsibility of sending it to the payee, but in case of postal orders, one has to go to the post office in order to receive the amount.

4. **Purchase through Value-Payable Parcels (VPP) :** Many commercial organizations seek the help of a post office in order to sell their goods. The customers in far off places receive the required parcels after paying the price at the time of receiving them. In this way, they do not need to travel for a long distance and spend money on travelling.

5. **Safe Despatch of Letters and Parcels :** Those who want to ensure the distribution of their post and parcels, get it so by paying a small amount of registration fee. In case of parcels being insured the post office takes extra care to arrange for the safe delivery of these articles. It as well takes the responsibility of paying the damages if these articles are lost.

6. **Inducement of savings :** All the post offices provide facilities for the people to deposit their savings with them. In addition to ordinary saving accounts, the post

offices also open accounts for fixed terms and issue saving certificates too.

7. The post offices have arrangements for life insurance as well.

8. The instalments of the premium for the insurance policies can be paid at any post office.

9. Every post office undertakes to pay the amount insured for life policies.

10. In addition to buying prize bonds from the post offices, one may get prizes up to Rs. 100 from the post office savings banks.

11. The interest on the saving certificates issued by the post office can be received from any such office. Similarly, the amounts thus invested can be withdrawn from any post office.

12. **Issuence of Identity Cards :** It has been made obligatory for every citizen of Pakistan, whether a major or a minor, to get him registered. All the post offices in the country arrange for the issuence of Identity Cards.

13. **Issuence and Renewal of Radio Licences :** The post offices have also been made responsible for issuence and renewal of licences for radio and transistors.

14. **Renewal of the Driving Licences :** All the licences issued by the Traffic Branch of Police Department are renewed through the post offices.

15. The post offices also undertake the renewal of licences for keeping every kind of fire arms, like, pistols, revolvers, guns, rifles etc.

16. The post offices also issue tokens for private cars, scooters, motor cycles, jeeps and other such vehicles,

and receive the fee for them.

17. Immediate and urgent messages can be sent from one place to another by telegraph through the post offices, which also provide services for sending telegrams to take the foreign countries.

18. Arrangements are also available for sending money telegraphically, which help us to remit required amounts within a short period of time.

19. Through the post offices, we can talk to our friends and relatives in the same city or another by telephone and enquire about their well-being. Similarly, we can send telephonic messages to our relatives residing in foreign countries. Telephone facilities are available at the post offices for all the citizens for 24 hours a day.

In big cities, there are night post offices for special services. This department provides a number of facilities for the people as well as brings in huge income for the government. The postal department in the Sub-continent has completed 100 years of useful service.

Two Branches of the Post Office Department

The work in the Postal department is divided into two branches: 1. Inland Post. 2. Foreign Post. Inland services include delivery of letters, parcels, money orders, registered letters and telegrams from one city or town to another city or town. The Foreign branch deals with sending letters, registered articles and telegrams from a city or town in Pakistan to a foreign country e.g, England, France, Germany, Turkey, Egypt, Iraq, Saudi Arabia, America, Japan, India, Sri Lanka, Burma, Malaysia etc. The branch dealing with postal services within the country is called the Inland Post, while the one dealing with postal services for the foreign countries is called the Foreign Post.

Now, we will discuss necessary information for both the branches.

Letters

For sending letters, we can use official envelopes with embossed stamps or ordinary envelopes affixed with suitable and required stamps. The size of an envelope is 11.4×9 cms. These envelopes are available at every post office.

Postage :

The price of an envelope is 40 Paisas while the postage is at a rate of 40 Paisas for every 20 grams or a fraction. If ordinary envelope is not affixed with the stamps or is affixed with stamps of less value, it will become a bearing one, and the addressee will be charged twice the required value at the time of delivery. In case of a less valued stamped envelope, he will be charged double the amount of required value and the value of the affixed stamps.

The address of the person whom the letter is sent must be written on the envelope legibly and correctly. The name of the sender as well must be written on the lower end of the envelope or at its back, so that the letter should be delivered or, in case of being undelivered should be sent back to the sender.

Under the present regulations, all the letters are sent by air. If a letter is addressed to a place where no air port exists, then it is sent to the nearest port, from where it is sent by train or bus. In this way the delivery of the letter is quicker for which no extra fee is charged.

When written, the letter should be properly folded and closed in an envelope. Stamps should be carefully affixed otherwise the addressee has to pay the double amount which will create a bad impression in his mind about the sender.

Example 1 :

Zahida sent a letter weighing less than 10 gms. to her mother and affixed stamps for 20 Paisas. What will her mother pay when the letter reaches her ?

Solution :

As the envelope weighs less than 10 gms. stamps for 40 paisas must have been affixed on it. But instead, the stamps affixed were of 20 paisas only, which means it was understamped for 20 paisas. This letter will therefore, be treated as 'bearing', and Zahida's mother will have to pay 40 paisas to the postman.

Example 2 :

Riffat sent a letter to her friend Rashida. The letter weighed 30 gms. She affixed a 25 paisas stamp on it. What mistake was done by her ?

Solution :

According to the rules she should have affixed stamps worth 75 paisas, because it is essential to affix 75 paisas stamp for more than 20 gms. and less than 5 gms. She instead affixed 25 paisas stamp, which was 50 paisas less than what was required. Hence the letter will be bearing and Rashida will have to pay 50 × 2 = 100 paisas to the post man.

Note : If a person receives a bearing letter and refuses to pay the required amount, the Postal Department can receive this amount as fine under the Post Offices Act. It is also authorised to stop delivery of all letters to him.

Example 3 :

Nasira wrote some letters which weighed (i) 18 gms. (ii) 20 gms. (ii) 24 gms. and (iv) 60 gms. Calculate the value of the stamps to be affixed.

Solution :

In first two cases, as the weight is 20 gms or less, the value of the stamp required will be 40 paisas each. In the third case, the weight is more than 20 gms. and less than 50 gms. It will, therefore need stamps worth 75 paisas. The fourth letter weighs more than 50 gms. and less than 100 gms. therefore it will need stamps worth Rs. 1.50 paisas.

Post Card

The post cards are of two kinds : Single and reply. The Post Office Department has got both the kinds prepared for the convenience of the public. The single post card is 20 paisas while the reply post card is 40 paisas. Privately prepared single or reply cards may also be used, provided :

(i) their size is not less than 10 × 7⅛ and not more than 10·50 × 14.75 cms ;

(ii) stamps according to the postal rates are affixed on them ;

(iii) the paper used for these cards is not thinner than the official cards

(iv) the portion meant for the reply bears the word 'REPLY'.

The single card has two sides : one for the contents of the letter and the other for the address. The side meant for the address, is divided into two halves by a line. The portion on the right of this line is meant for the address of the addressee, defacing the printed stamp, for writing instructions like 'REGISTERED' or 'UNDER POSTAL CERTIFICATE' or affixing additional stamps. Nothing should be written on this side, except the address which should be clear, legible and written with ink.

The post card should not be folded, nor should it be changed in any other manner. However, typed address may be affixed here as well as the typed address of the sender be affixed on the left of the dividing line, provided the slip is not more than 5 cms. long 4¼ cms. wide. Similarly, some drawing or sketch or photograph done on thin paper may also be affixed. To cover the used post card with some paper will convert it into an envelope and will need postal stamps according to the rates.

The reply cards are double. One is meant for the sender and the other for the addressee to reply on it. The sender should write his own address legibly on the reply side. The sender of the reply card cannot get the side meant for the reply of addressee registered.

Punishment in Case the Instructions are not followed :

If a post card does not bear the address legibly written or is understamped, it is sent to R.L.O. to be destroyed. Similarly, if the replyside is understamped or unstamped, it is sent to R.L.O. to be destroyed. If a local card is used instead of a foreign post card, it is treated as 'bearing'. If the conditions for the post card are not fulfilled, it is treated as an envelope and additional stamps are charged. For instance, a person affixed paper on both sides of a used card and then stamped it with ten-paisas stamp and posted it. Now this card will be treated as an envelope and the addressee will have to pay double the remaining amount.

Example 1 :

Zahida used an inland post card and sent it to her friend Sakina in Eden. What is the position of this card ?

Solution :

As an inland post card cannot be used for foreign post, this post card will be treated as bearing.

Example 2 :

Nasreen affixed her photograph on a post card. Will this card reach its destination ?

Solution :

According to rules, this post card will be treated as an envelope and the addressee will have to pay 40 paisas more.

Example 3 :

Akhtar sent a privately-made reply post card but forgot to affix the required stamps on the reply side. What will be done with this card ?

Solution :

The reply portion will be destroyed, because it was essential to stamp it before posting.

Example 4 :

Farhat sent a used post card to her friend Nighat after affixing paper on its sides alongwith five paisas stamp. What her friend will have to pay ?

Solution :

As this card will be treated as an envelope which needs 40-paisas stamp. Nighat will therefore have to pay 70 paisas more.

Example 5 :

Shahida sent a post card to her friend Saeeda. Its size was 8×8 cms. It was affixed with a 5-paisas stamp. What will Saeeda have to pay ?

Solution :

The official size of the card is 7.50×10 cms as minimum and 10.50×14.75 cms as maximum, and as the size of this card was 8 cms. it will not be treated as bearing. But Saeeda will have to pay 30 paisas more.

Example 6 :

Feroza sent a picture to her brother which was printed on card-board. Its size was 10.00×12.50 cms. It was blank on one side. She used the blank side for writing the address, affixed it with a 5 paisas stamp and posted it. What her brother will have to pay, keeping in view that card board used was thicker than the official post card ?

Solution :

The picture was printed on card board and its size was in order. But as it was thicker than the official card, it will be treated as bearing and her brother will have to pay 70 paisas under the rules.

Business Reply Post Cards and Envelopes :

Every business man provides different kinds of facilities to his customers in order to promote his business. Some firms send printed reply envelopes and post cards to their customers and clients, these cards do not need any postal stamps. The postage is paid by the firms themselves. One has to apply to the post-master of his city or town for permission to prepare such envelopes or cards. The post-master issues permit for such cards or envelopes. The fee for getting such a permit is Rs. 25.00 per year and is paid in advance. The size and other specifications of such cards must be the same as prescribed for privately-prepared cards. Every business reply card must bear the permit number, the name of the post office issuing such permit, the address of the shopkeeper as well as the firm alongwith two straight lines on the right side or any other sign. It must also bear the following :

(i) Business Reply Card or Business Reply Envelope.

(ii) No Postage Stamp Necessary if Posted in Pakistan. Postage will be paid.

Here is a specimen of a Business Reply Card :

Postage will be paid by Addressee

Business Reply Card

Permit No. 210

No postage stamp Necessary if Posted in Pakistan

To Messrs. A.B.C.

Quality Radio Manufacturers,

R.S.T. Street,

KARACHI No. 1

Postage for Envelope....... 40 paisas for every 20 grams or its fraction.

Postage for Card........... 20 paisa for every 20 grams or its fraction.

Redirection of the Letters

Some times it happens that the addressee leaves his place of residence and shifts to another. For instance the school mistress Shahida has been transferred from Government Girls High School, Bhakkar, and in her absence some private letters, registered letter, a parcel or a money order is received. Now either the said mistress has left her new address with the post master of the place or has not done so. If she has left her address with the post master, he or another official of the post office will cross out the old address and send the postal article to the new address without charging anything else provided the new address is of a place within the country. If she has left the town without informing the post-office about her new address, then her agent or the headmistress may return the article to the post-man without opening it and give him the new address or cross out the old address and post the article after putting the new address on it. If the article is a registered one, it may be given back to the post-man after writing the new address on it and without no receipt being signed. A letter which has been received by the addressee or which has been notified to him, cannot be redirected. Similarly no letter can be redirected while the addressee is shifting to the new place.

Fine For None-Compliance with Regulation :

If some postal article is put into the letter box, or is posted once again at a place outside the postal district, then it will be treated as a new postal article.

Example 1. Shahida, a school mistress is transferred from Bhakkar to Okara. A letter was received at the following address.

Miss Shahida,
Government Girls High School,
Bhakkar, Mianwali District.

How should this letter be sent to her new address ?

Solution. Cross out the address without opening the letter and write the new address as follows :—

Miss Shahida,
Government Girls High School,
Okara (Sahiwal District).

This letter should then be given back to the postman or put into the letter box of the area post office from where it was distributed.

Example 2. A letter was posted to Mr. Nasim Ahmad which carried the following address :

Mr. Nasim Ahmad, B. A.
Block No. 4,
Dera Ghazi Khan.

But Mr. Nasim Ahmad had shifted to Lahore in the mean time. His new address was :

House No. 15, Partap Street Krishan Nagar, Lahore.

This letter was received by his brother, who crossed out Mr. Nasim Ahmad's address at Dera Ghazi Khan and wrote the new address. He then posted the letter at Multan City. What mistake has he made ?

Solution. As the letter was distributed at Dera Ghazi Khan. It must have been posted back at the same place. In the present case, it will be treated as a new letter, and new stamps of 40 Paisas have to be affixed. It will therefore be treated as a bearing letter and Naseem Ahmed will have to Pay 80 Pasias on receiving it.

Example 3. A letter was received for Mr. Zia Ullah at F.C. College, Lahore. But he had left for Rawalpindi on account of vocation. A friend of his opened the letter, and then re-directed it at his new address. What mistake was done ?

Solution. As Mr. Zia Ullah had left for Rawalpindi, it has to be re-directed at Lahore, but its opening was against the regulations. It will therefore be treated as a new letter and Mr. Zia Ullah will have to pay 80 paisas on receiving it.

Directions for Posting A Letter :

(a) Writing the Address

The address should be neatly written length-wise on a letter or a parcel. Sufficient space should be left for affixing stamps, and for postal labels and defacement stamp. The address should be complete, correct and definite so that it may easily be delivered. Following particulars should be included in the address in the order as given :

(i) Name of the addressee.
(ii) His designation or profession.
(iii) Name or number of the house, the street, the Road or the Mohallah.
(iv) Name of the Village or Police Station.
(v) Name of the Post Office and of postal area or its number, if any.
(iv) Name of the district and Province.

If the addresse is a man or a woman, the name of the person, care of whom the letter is sent should also be written. If the letter is for the same city or place, the word "Local" should be written over it. If it is meant to be sent by air the word "By Air" or "By Air Mail" should be written over it and a label to this effect should be posted over it.

If the letter or the parcel is meant to be registered or insured, the words 'Registered' or 'Insured' should be written over it. If a receipt from the addressee is required, the words "Acknowledgement Due" or 'A.D.' should also be written. If the letter is being posted after getting a certificate of posting the words "Under Postal Certificate" should be written over it.

A letter or any postal article cannot be delivered, if it does not bear definite address. Following examples will make the difference between 'definite' and "indefinite" addresses clear :—

Definite Address (deliverable)	Indefinite address (Undeliverable)
1. Mr. Abdul Bashir, C/o National Bank of Pakistan, Anarkali, Lahore.	1. Mr. Abdul Bashir C/o Bank, Lahore.
2. Mr. Ahmad Saeed, Bunglow No. 60, Block 'C', Model Town, Lahore.	2. Mr. Ahmad Saeed, Block 'C' Model Town, Lahore.

A post office is authorized not to accept any article or parcel bearing indefinite address, or any registered, insured article or V.P.P. to be sent through a post box which does not bear clear and definite address.

(b) Affixing the Stamps

The stamps must be affixed in such a manner as they may completely stick to the surface of the letter or parcel. Do not affix a stamp on a hanging label. You should affix the stamps yourselves, and not ask any post-office employee to do it for you. The post-office employees are authorized to weigh only those letters, parcels which are to be registered or for which there is a prescribed weight limit.

(c) To Post the Letter

Put the letter into a letter box. If any letter box bears a plate with the words "For Letters Only" then do not put anything else (like book-post) into it except a letter or a post card.

Similarly, if any letter box carries a plate with the words "For Air Mail Only" then nothing except Air Mail articles should be deposited in it. If it is desired to be sent through night post office, one has to pay late-fee for it.

Printed Matter

A. Book Post :

The postal Department has made provision for the benefit and convenience of the public to send printed matter by post at reduced rates.

All kinds of printed books, official notifications, circular letters, printed letters, printed notices, manuscripts for publication, calenders, photographs, maps, commercial correspondance, documents, bills, insurance papers, old letters, licences, statistical proformas, corrected exercise books of the students with personal instructions, etc ; can be sent at reduced rate. Such articles can be sent by *book post.*

Private letters, postal and fiscal stamps, currency notes, promisory note, draft and cheques etc ; cannot be sent by book post nor can a private message be written on an article to be sent by book post.

The maximum size of a book post article is 3×3×6 Decimeters, but in case of a rolled article the maximum length may be 7.50 Decimeter. If the length is more than 6 Decimeters then the diameter cannot be more than one Decimeter. A book post should bear a caption "Book Post" as well as the address of the addressee under this caption. Both ends of such an article must be open. In case of an envelope, it should not be closed so that the post office employees may examine it with convenience.

The postage rates for the book post containing books pamphlets, periodicals in the form of books are as given below:—

First 50 grams or a fraction of it———10 Paisas-
Not exceeding 100 grams—15 Paisas.
" " 250 " —25 Paisas.
" " 500 " —60 Paisas.
" " 1000 " —Rs. 1.00
" " 2000 " —Rs. 2.00
For every additional 1000
gram on a fraction thereof
above 2000 grams —Rs. 1.00

b. Small Packets

It is a new service being introduced in replacement of the category of sample and pattern packets. Articles falling in pattern and sample packet as well as photographs, photographic films, slide plates and gifts of little value. The weight steps are 20, 50, 100, 250, 500 and 1000 grams. The maximum limit of weight permissible would be 1000 grams. The minimum postage payable is 20 paisas.

Samples of seeds and medicines cannot be sent in packets or open envelopes ; they may therefore be sent in a bag or a can. Similarly, liquid things may also be sent in cans. These cans or bags should however be closed in such a manner that may help the post office officials to check them. Every packet must be inscribed with the caption "Small Packet". If these instructions are not followed, these packets will be treated as ordinary parcels and will be charged for the stamps shorts of the required value at the time of delivery. Bearing or under-stamped samples will be delivered to the addressee after he has paid at the double rate.

Postage rates for small packets is as given below :—

First 20 grams or a fraction of it.			20 Paisas.
Not exceeding	50	grams	25 Paisas.
,, ,,	100	,,	40 ,,
,, ,,	250	,,	65 ,,
,, ,,	500	,,	Rs. 1.00
,, ,,	1000	,,	Rs. 1.85

(c) Literature for the Blind

Literature for the blind, and books as well as newspapers printed in Braille can be sent free of postage. Such packets should bear the caption "Literature for the Blind." The instructions for posting such packets are the same as already given above. The maximum weight of such free packets can be 8 kg.

Example 1 :

How much postage is necessary for book-packets of the following weights ?

(i) 25 Grams. (ii) 65 grams. (iii) 75 grams. (iv) 120 grams

Solution :

As the postage for book packet is at a rate of 10 paisas for the first 75 gms. and 15 paisas for every additional 50 gms. the value of the stamps needed for the packets will be as given below :—

(i) 10 Paisas. (ii) 15 Paisas. (iii) 15 Paisas. (iv) 35 Paisas.

Example 2 :

Fauzia sent the following articles by book post. What mistakes has she committed.

(i) a photograph with inscription "Sincere Present".

(ii) A magazine which has a sentence written over it "Return after reading".

Solution :

(i) The packet is regular.

(ii) This packets carries a personal message. It will be treated as an ordinary parcel and the addressee will be charged.

Example 3 :

Miss Shahnaz sent some exercise books by book-post after correction. She has however been writing "Not Satisfactory" and "Write the corrected words five times each", while correcting. Is such a book post packet in order ?

Solution :

The exercise books can be sent by book post after correction. But the writing "Not Satisfactory" is a personal message. It will therefore render this packet as an ordinary parcel.

Example 4 :

Bilquis sent the following articles by book post.

(i) an insurance policy with some inscriptions.

(ii) a manuscript for publication sent to a publisher.

Are these book-packets in order ?

Solution :

Yes.

Example 5 :

A shop-keeper rolled some calenders into packets and sent them by book-post. The length of the packets was 80 cms. and the diameter 8.75 cm. Are such packets in order ?

Solution :

As the length of these packets is more than 75 cms. they will be treated as ordinary parcels.

Example 6 :

A hosiery merchant sent the following two packets :—

(i) About twelve samples of cotton yarn each of 5 meters length and 5 samples of knitted work of 10×10 cm. each.

(ii) A packet containing a pair of socks and an under shirt as 'sample.

Are these packets in order ?

Solution :

(i) The first packet is in order as the samples cannot be sold in the market.

(ii) This packet will be treated as an ordinary parcel as both the samples may be sold in the market.

Example 7 :

Salma sent a book packet of 60 gms. and affixed a 7 paisas stamp over it. 'What mistake has she made ?

Solution :

As the book-packet weighs more than 50 gms. it required a 15-paisas stamp, but instead it was understamped for 8 paisas. The addressee will therefore have to pay 16 paisas at the time of delivery of the packet to him.

Registered News-Paper

A registered news-paper is the one which fulfil the following conditions :—

(i) it is registered with the office of the Post Master General in accordance with the rules.

(ii) the maximum period of time between two issues is not more than 31 days ;

(iii) it has at least 50 subscribers.

Postage :

One copy of the news-paper.	2 Paisas up to 100 gms. 3 Paisas upto 100—200 gms. 3 Paisas for every additional 200 gms or a fraction.
More than one copy of the same issue of a newspaper, individually addressed.	3 Paisas upto 100 gms. 2 Paisas for every additional 50 gms or a fraction.

A supplement of a news-paper of the same date is considered as a part of the news-paper. The postage on the news-papers is necessarily paid before hand. The concession in the despatch of news-paper is available to the owners only, and not for any other person.

If a separately printed bill or publicity material for a firm is packed with the news-paper, it will be treated as an ordinary packet.

Example 1. Shahida purchased a news-paper copy weighing 90 gms. and sent it to her friend Rashida after affixing a 2-Paisas stamp thinking, it need the stamp of this value. What will Rashida have to pay ?

Solution. As the newspaper is weighing 90 gms. its postage is 2 paisas but this concession is available to the owner of the news-paper. Shahida should have, therefore, sent it by book-post, and as such, affixed 15 paisas stamps instead of 2 paisas. Rashida will therefore have to pay 26 paisas.

Example 2. A news-paper office prepared a packet of two copies of different dates and affixed 3 paisa stamps. The packet weighed 100 gms. What mistake has been made ?

Solution. As the packet contained copies of two different issues, it could not be sent under normal newspaper rate, but as book-post it should be affixed with 15 paisas stamps. It has therefore been under-stamped for 12 paisas. Hence the addressee will have to pay 24 paisas.

Example 3. Naheed sent a news-paper copy to her friend Fahmida and an advertisement bill of a company separately printed alongwith it after affixing a 3 paisas stamp over it. The weight of the news-paper was 70 gms. What will the addressee have to pay ?

Solution. As a separately printed advertisement cannot be sent alongwith the news-paper copy, it will therefore be treated as a book-post. Moreover, the owner has the right to use the concessional rate for the news-papers. The packet should have been affixed with 15 paisas stamp. According to the rules the addressee will have to pay 34 paisas more on account of the packet being under-stamped for 12 paisas.

Return Letters office and Undeliverable Letters

The postal articles which cannot be delivered are sent to the Return Letter Office. There are following regulations for such action :—

(a) All the letters having incomplete and illegible addresses are sent to the Return Letter Office (RLO) for necessary action ;

(b) In case the addressee is not traceable or have left the place without leaving their new address with the post office, and their search is futile, the letters received for them are kept in the post office concerned for seven days and are then sent to the Return Letter Office if the names and the addresses of the senders are found on them.

(c) If a postal article comes back to the post office which has already confirmed that it can not be delivered, then it is not kept in the post office but immediately sent to RLO, or to the sender if his name and address is given on the article.

(d) Undelivered telegrams are kept in the post office for three days and are then sent to the post office or telegraph office from where they had originated.

(e) Undelivered packets of registered news-papers are sent back to the senders after seven days.

(f) All registered or unregistered postal articles, insured articles, and V.P.P's which are not accepted by the addressee are sent back to the senders and to Return Letters Office in case the senders are not traceable.

The Return Letter Office tries to trace the addresses of the senders or sender by opening the articles, and in case of failure the articles are destroyed.

Distribution of the Post and Duties of A Postman

The distribution of letters, post cards, book-post registered letters and money orders are included in the duties of a post-man. Due care is taken to deliver these articles at the addressee. But the postman is not responsible in case of wrong delivery of letters. The signatures of the addressee or his legal successor are obtained in case of registered letters and parcels. It is essential that the post-man should know the addressee. Heavy parcels can be handed over to the addressee in the post office. A money order can only be paid to the addressee. It is necessary that the signatures of another person are also obtained as witness at the time of the payment of the money-order. The post-man may refuse to pay the money-order to a *purdah nashin* lady or a child without the proof of their identity.

It is the duty of a post-man that in case of the payment of some dues or delivery of a registered article etc. he must not hand over the postal article unless he has obtained a receipt to that effect from the addressee or his authorized agent. He is also duty-bound not to deviate from his route and not to come at second time for receiving the dues.

If the addressee of a registered or an insured article is a *pardah-nashin* lady, she should be introduced by a respectable person known to the post-man. If the post-man does not know him personally, his signature must also be obtained on the receipt.

If the dues to be paid for V.P.P. exceed Rs. 50/- or the value of an insured registered article is more than Rs. 250/- or if the dues payable for a letter or a postal article are more than Rs. 50/- then such articles can only be delivered at the post office.

Damaged Registered Article :

If a registered letter or a parcel is damaged in transit or opened up, the postmaster sends a notice to the addressee asking him to receive it in the post office personally or through his authorized agent. It is necessary to bring this notice along at the time of getting the delivery of such an article. The time limit of this notice in case of the in land post is 7 days and of the foreign post is 15 days.

Window Delivery :

Ordinarily the post is delivered at the home address. But if a person desires for his convenience to receive his post at the post office, he may do so free of charge by applying to the post-master concerned. If such a person wishes to receive his post in a closed bag, he has himself to supply such a bag alongwith a lock with two keys. All his in registered post, letters, envelopes, packets, news-papers, for which the postage has been paid, are put into this bag and closed, which is handed over to him or his agent. He has to pay Rs. 6/- quarterly for his convenience.

This arrangement is made at a place where post boxes are not available.

Post Box :

Post Boxes are available in big cities. These boxes are numbered. All business men get their post through post boxes. If any other person so desires, he may have a post box on rent. The post office workers put all his post, for which the postage has been paid, in this box. The persons concerned or his servant may take the post at his convenience. The box number can be used as postal address. ' Mr. Jamil Ahmad hired a post box numbered 5236 at Lahore. He may give it as his postal address, as Mr. Jamil Ahmad, Post Box No. 5236, Lahore. But such an address cannot be used to receive articles like money orders, registered letters or such articles for which the addressee has to give a receipt. The annual rent of a box is Rs. 24/- and the maximum rent is Rs. 8/- quarterly. The persons having a post box has to pay for the box and the lock, whose amount is paid back to him at the expiry of the contract.

Instruction About the Change of Address :

Persons desirous of changing their addresses should inform both the post offices ,i.e. the old and the new, about such a change. This information must be clear-cut and simple, because conditional information is not attended to.

With Drawal of Letters :

If a person, after posting a post card, an envelope or a packet etc. wishes to withdraw it for some important reason, he can do so with an application for such withdrawal. A fee of Rs. 1.00 has to be paid for each article. This fee is not refundable. The application can be given by the sender of the postal article or his authorized agent. The application must contain the reason for withdrawal and must be accompanied with the statement of the sender duly sealed. On this application, the despatch of the article will be stopped and if already despatched, it will not be distributed until the disposal of the application. Those who are authorized to return the article are the First Class Postmaster, Superintendent of Post Offices, Director General Post Offices and the Central Government.

Certificate of Posting :

A certificate of posting is obtained to show that the article, given for being posted has actually been posted. The Certificate of posting may be obtained for all those articles for which the post office does not issue any receipt.

Procedure for obtaining the Certificate :

In order to obtain a certificate of posting, one has to fill in a prescribed form and hand it over to the post office clerk or officer along with the articles to be posted.

This certificate must have the same address of the addressee as on the article itself. The form has to be filled in ink. A 40 paisa stamp must be affixed on it and it should show the number of articles.

One certificate can be used for three post cards or three envelopes. The officer or the clerk of the post office check the addresses given in the certificate with those on the articles, and then give it back to the sender after defacing the stamp affixed over it.

On the left side of the certificate of posting, there is a column meant for giving the description of the articles. Write in this column what ever articles are.

The second column is for the "Exact Address on the Article". This column should be filled in with the addresses written on the articles. Write the number of articles in words in the column before it. Affix a 40 Paisas stamp on the right hand upper corner, (the specimen of the form is given on the next page).

Specimen (Front)

CERTIFICATE OF POSTING

The unregistered articles addressed as under have been posted here this day :—

Description of article.	Exact address on the article

Total number of articles (in words).

(Back)

Date Stamp	*N. B.* – For instructions regarding the use of this form and other information relating to certificates of posting, see below.	Postage stamps to be affixed here.

1. The sender should enter in ink, the description and exact address on the article in the places provided on the face of this form. No other entry may be made in the form.
2. The fee charged for a certificate of posting, is 20 paisas for every three articles or for any less number, and should be paid by affixing a postage stamp or stamps, in the place provided above.
3. Any postal articles, in respect of which this certificate is issued are not registered, and will not be checked in the post and will be treated as if they had been posted in a letter-box.
4. In the event of loss, damage or delay, this certificate will confer to title to compensation.
5. This certificate furnishes no proof of the nature of contents.
6. To obtain complete check in the post, recourse, should be had registration. Title to compensation in the event of loss or damage can only be secured by insurance. No valuable article should be sent by post unregistered.

Express Delivery Post :

If we wish that our letter or envelope should be immediately delivered to the addressee after it reaches the city of his resident, we should sent it by "Express Delivery Post". To do so, affix an additional postal stamp of 40 paisa and, either write with red ink the words "Express Delivery" or affix a label to that effect and then post it. When such a letter reaches the area post office of the addressee, it will immediately be delivered to him by a special messenger.

If the residence of the addressee is at a distance of more than 5 kilometer from the post office, such a letter will be treated as an ordinary article if re directed.

Late Fee :

In every post office the timings of clearance and distribution of the post are notified. There are letter boxes at different places in the cities where in the people can post their letters. These letters are collected at fixed hours and taken to the main post office. If the post has been cleared and some important letter has to be sent, then it should be taken to the main post office or the Railway Mail Service post office half an hour before the final clearance so that it could be sent by the Night Post Office. Late Fee in addition to the actual postage has to be paid on such letters otherwise they will be delayed for one day.

THE RATES FOR THE LATE FEE ARE AS BELOW

(a) **In Land Post :**

(i) Unregistered articles, letters parcel etc.

(ii) Registered articles and money order.	20 Paisa
(iii) Insured articles.	20 Paisa

(b) **Foreign Post :**

The rates are similar to the inland post. In case of a registered article, the late fee is paid in cash. The cards, envelopes and small packets for which the late fee has been paid, may be deposited in the letter box provided in a railway train.

QUESTIONS

1. Write a short note on the benefits of the post offices ?

2. What is a postal article ? Explain the following.

- **(*a*) Return Letter Office.**
- **(*b*) Window Delivery.**
- **(*c*) Express Delivery.**
- **(*d*) Writing the address.**
- **(*e*) Business Reply Card.**
- **(*f*) Bearing Letter.**
- **(*g*) Certificate of Posting.**
- **(*h*) Late Fee.**
- **(*i*) Re direction.**

3. What care should be taken in posting a letter ? A letter was sent at the following address.

Mian Abdul Wahid,
Anarkali,
Lahore.

What is going to be its end ?

4. What is meant by a post box ? What is the procedure for getting it ? What are its benefits ? Write briefly ?

5. What type of printed matter can be sent at reduced rates ? Discuss ?

Nusrat sent two copies of the Pakistan Time dated 19th January 1975 in the same packet to her friend Nighat. She affixed a 2 paisa stamp on it. What will Nighat have to pay at the time of receipt of this packet ?

6. **A person sent two private post cards to his friends; one single and the other double. He did not affix any stamp on the reply side of the double card. What will be the result?**

7. **How can following articles be sent by post? Give details of the procedure as well as the method of packing.**
   (*a*) a book, (*b*) a sample (*c*) a bundle of calenders, (*d*) a photograph inscribed "With good Wishes".

8. **Nayyer sent his photograph to Nasrin, by posting it on the back of a card. She affixed a 5 Paisa stamp on the card. What will Nasrin have to pay?**

9. **How much postage is required for the following.**
   - **(*a*) a letter weighing 36 gms.**
   - **(*b*) a packet of books weighing 70 gms.**
   - **(*c*) a bundle of news-paper copies of the same date weighing 1 Kg.**
   - **(*d*) Eid Card.**
   - **(*e*) A sample packet containing 10 pieces of cloth each 1 decimeter long with total weight being 130 gms.**
   - **(*f*) a bundle of calenders 82.0 cms. long and of 7.5 cms. diameter having a weight of 100 gms.**

Registration :

The post office employees are usually very hard working and honest. They take due care to distribute the letters to the right addressee. But this cannot be declared as a general principle. Some times a new postman delivers a letter at a wrong place and makes mistakes in the distribution of the post on account of lack of knowledge. In order to ensure that the letter does reach its destination, it is better to get it registered. Through registration every postal article is secured because it is entered into the record and passes through responsible officers.

The post office is however not legally responsible for its loss or damage unless, it is insured.

Following articles can be got registered :

Envelopes, post cards, books, sample packets, news-papers, parcels, which bear postage stamps at the reduced rates for the news-paper.

In case of getting an article registered one has to pay registration fee in addition to the normal postal rates, which is Rs. 1.60 paisa per article. It is necessary that the articles presented for registration have been paid for because an envelope, post card or parcel can be sent bearing.

It is compulsory to get the following articles registered for posting them :—

(a) every parcel weighing more than 5 Kg.
(b) all parcels to be sent by air-mail.
(c) every insured article.
(d) every parcel which is sent to a place where custom duty is to be paid.
(e) all such envelopes as may carry postal stamps, revenue stamps, labels, cheques, promissory notes, Bank notes, documents, Foreign exchange etc ;
(f) every article which bears the caption "Registered".
(g) every registered article which is re-directed.
(h) Value payable parcel (V.P.P.)

In all the above mentioned cases, the registration charges are received at the time of delivery unless they have already been registered.

Procedure of Registration :

Every article meant for registration should be large enough to have space for affixing postage stamps and registration label. Affix free postage and stamps covering the registration fee. Write complete address clearly and legibly. Write the name of the sender and his address as well. Now hand it over to the clerk concerned in the post office, who will give a receipt for it which should be kept safe. Remember that if an article to be registered does not bear the address of sender, it will not be accepted. A registered article is not delivered to any one except the addressee of his authorized agent, who has to sign a printed receipt before receiving the article.

Acknowledgement Form :

If a person wishes to receive back a receipt from the addressee, he should fill in an Acknowledgement Form and attach it to the article meant to be registered. This form costs 5 paisa and needs a 20 Paisas stamp to be affixed on it. In this way the sender will get back a receipt signed by the addressee. The specimen of the Acknowledgement Form is given below :—

Acknowledgement

To be returned to office of posting for delivery to sender.

RECEIVED a registered* Mo.
addressed to name
*Insured for Rs.
†Weighing in words tolas
Signature of Addressee rates
Date of Delivery

*Write here "letter", "post-card", "Packet" or "parcel", if the article is insured.

*To be filled up only in the case of insured article and to be scored out in the case of other articles.

Compensation for a Lost Registered Article :

If some registered article is lost, the Post Master General can pay the original price or Rs. 25.00 as compensation to the sender or the addressee, on an application by the sender. The compensation is not a legal right but a privilege.

Insured Registration :

It has already been told that the purpose of registration is to ensure that the article does reach the addressee, but the Post Office is not responsible for it, if it is lost in transit. It is therefore better to get it insured in order to further ensure its safe delivery, and so that in case of loss, it is fully compensated. It is necessary to pay the postage, the registration fee and the insurance fee in advance.

The following articles can be insured :—

Registered Envelopes, Value payable Parcels (V.P.P.) or ordinary parcels.

A branch post office can accept articles for insurance upto Rs. 300/- while a main post office can do so upto Rs. 5000/-. A list of such post office as can insure a registered article is available in Pakistan Post and Telegraph Offices.

Insurance Fee Rates :

An article of a value upto	Rs. 300/-	50 Paisa.
For a value of every a fraction of it	Rs. 300/- or	25 Paisa.

Procedure For Insurance :

If an envelope or a parcel is to be insured, it should be packed in a strong envelope or a carton, which should then be covered with some cloth and sewn porperly. Now seal it on all seams and joints with the same kind of sealing-wax and the seal. If there are currency notes in the envelope, it should be tied through with some thread and sealed on both ends. If the envelope or the carton is tied with a rope or string, it should be done in such a way as may allow both ends of the string or the rope be sealed after giving of a knot. The envelope or the parcel should be closed in such a manner as may not allow it being opened without breaking the seal. The stamps should be affixed with spaces between them so that any damaged part of the envelope or the parcel may be covered. In case of using an envelope, it should be lined with cloth. This kind of envelopes are available with the post offices and cost Rs. 1.80 each. An envelope with black or coloured borders or made of transparent paper must not be used. If the parcel contains gold or silver, it must be closed in a box of wood or metal. Write the addresses of the sender as well as of the addressee very neatly. Write the value of the parcel to be insured both in number and words. It is essential to insure the parcel on its actual value if it contains gold coins. Fill in an acknowledgement form and attach it to the parcel. Now give it to the clerk concerned.

If the envelope or the parcel is closed loosely or in an unsafe manner, or the seams and joints are not properly sealed or the same kind of sealing-wax and the seal are not used, the clerk concerned is authorized to refuse to accept it, because once the article is insured, the post office is fully responsible. In case of loss or the damage, the person, having insured it, can claim compensation equal to its value. The receipt given by post office must be kept safe.

The sender of an insured article has the right to receive back without any fee a receipt signed by the addressee on receiving the article.

Compulsory Insurance :

If a person wishes to send gold, gold-coins, jewellary, platinum, or currency note, it is compulsory to get them insured.

Compensation :

In case of the loss of an insured parcel or envelope, the post office shall pay the compensation within one month after the receipt of information from the sender. If after the compensation has been made, a part of the goods insured or all of them are found, the post office will return them to the sender on the condition that the compensation paid and that value of the articles recovered both do not exceed the insurance value, otherwise the sender shall pay the difference from his own pocket or get the recovered articles deducted from the insurance money.

No compensation shall be paid in the following cases :—

(a) if the sender writes the address of the addressee incorrectly, on account of which the article is delivered to some one else ;

(b) if the post office gets the proof that the sender or the addressee has done some fraud ;

(c) if the article in question has been received by the addressee or his authorized agent, or his family members, or his servant and a receipt was given to that effect ;

(d) if the sender does not report the loss of the insured article within three months after the date of its being insured ;

(e) if the envelope or the parcel has been damaged because of its not being packed correctly and safely ;

(f) if the seals on the insured envelope or parcel are in tact and there is no apparent sign of their being tempered with ;

(g) if the insured parcel contains gold or gold coins and had not been insured for their full value ;

(h) if the insured article contains perishable things ; and

(i) if the parcel contains any article which is not legally allowed to be sent.

Delivery of the Insured Article :

An article insured for Rs. 250/- or less is delivered to the addressee like an ordinary registered article. The addressee has to sign both the receipt and the acknowledgement form before receiving the article. If the insurance value is more than Rs. 250/- the post office will inform the addressee to receive it in the post office.

If an insured article of a value of Rs. 250/- or less has not been received by the addressee, the post office will issue him a notice to receive it. If he does not even after this notice ; the insured article will be returned to the sender after the expiry of a period of seven days. A damaged insured article can only be received in the post office. In such a case, the insured envelope or parcel is opened in the presence of the addressee and an inventory of the contents is prepared in duplicate and signed by the addressee, who keeps a copy for himself while the other copy is retained by the post office.

Example 1 :

Fauzia sent her sister Ishrat Rs. 500/- by insured post. The envelope weighs 35.50 gms. How much postage is chargeable ?

Solution.

Postage on the weight of the envelope.	0.75 Paisa.
Registration Fee.	1.60 Paisa.
Insurance charges.	0.75 Paisa.
Total.	Rs. 3.10

Fine For Not Insuring Articles :

If an un-insured envelope or a parcel is sent by post, containing such things as require compulsory insurance, the post office is authorized, on such discovery, either to send the article back to the sender or deliver it to the addressee after charging a fine of Rs. 1/- and without having any responsibility.

Example 2 :

On the occasion of Eid-ul-Fitar, Sabira sent her sister Shakira an envelope, in which she enclosed a ten-rupee note. In transit, the envelope got torn on one side which showed the note. How much fine Shakira will have to pay ?

Solution.

Registration Fee under ordinary rules.	1.60 Paisa
Insurance Fee	.50 Paisa
Total	Rs. 2.10

As the envelope was sent by the ordinary post and the registration as well as insurance fee were not paid, the total fine will be

2.10 × 2 = Rs. 4.20

But as the maximum fine in such a case is Rs. 1/- Shakira will have to pay Rs. 1/- only before receiving the envelope.

QUESTIONS

1. Explain the following :—

   (*a*) registration. (*b*) insurance

   (*c*) acknowledgement.

2. Ishrat sent letters to her sister Fawzia and Bushra and her brothers Asad and Asghar. She got certificates of posting for these letters. Each envelope weighed 7.7 gms. What are the total charges ?

3. Begum Tasawur Ali sent a letter to her brother and affixed stamps for 7 paisas only, on account of being in a hurry. What will her brother have to pay at the time of receiving this letter ?

4. Will the postal Department register a letter with the following address ? If not, give reasons.

   Malik Khuda Bukhsh,
   Post Box No. 718,
   Rawalpindi.

   What will be the total charges for the registration of a letter weighing 30 gms. to be sent to the following address ?

   Malik Khuda Bakhsh,
   60 - Raja Bazar,
   Rawalpindi.

5. Chand Rani sent Rs. 550/- by insured registered envelope to her sister Shaheen. The envelope weighs 45 gms. What will Chand Rani have to pay as total postage ?

6. In what cases, the compensation can be paid for insured articles ? Discuss fully.

7. A person received compensation for a lost registered article insured for Rs. 200/- Later on it was traced. Rs. 80/- were found in it. What action the department will take ?

8. Shireen sent a letter to her friend Azra on the occasion of Eid-ul-Fitar. But being in a hurry, she forgot to write

her own name on the envelope and affixed only 7 paisas stamp on it. The envelope weighed 15 gms. and was sent as bearing. Azra, being angry, refused to accept it. Write down the action to be taken by the department in such a case ?

9. Shaukat Ara sent a letter by "Express Delivery" from the night post office at Lahore. She also got a certificate of posting for it. If the letter weighed 15 gms. What were the total charges paid by her ?

10. What is meant by "Insured Registration" ? What care must be taken while getting a registered article insured ? For which articles insured is compulsory ? What is the fine if such articles are not insured ?

    A person received a notice for receiving an insured article of the value of Rs. 450/. How will he receive it ?

11. A letter was received for the School-mistress Zubaidah Khanum with the following address :—

    Mistress Zubaidah Khanum,
    Muslim Girls School,
    Ichhra.

    But she had left the school as she got an appointment in the Government Girls School, Kasur. How will the Head mistress Muslim Girls School, Ichhra re-direct this letter ?

12. Shakira Begum wishes to send gold worth Rs. 700/-to her sister Sabira Sultana. What method should she adopt that the gold is safely received by her sister through the post office ?

13. What will you do in the following cases :-

    (*a*) You have an urgent letter to be posted. The time for clearance is expired and the post office bag has been sealed.

    (*b*) It was necessary to get a postal receipt for some letters but the servant has already posted them.

    (*c*) A letter has been posted but it must be got back before it reaches the addressee.

14. A person wishes to post an important letter. Which of the following methods is best in respect of safe and timely delivery :-
    (*a*) by registered post ;
    (*b*) by express delivery ; and
    (*c*) by ordinary post.

15. Give merits and demerits of each method. A person got a registered article insured for Rs. 550/-. But the envelope contained only Rs. 360/-. It was damaged on the way. How will this article be delivered and what difficulties will be faced at that time ?

Parcel :

In order to send a parcel from one place to another, following means may be adopted :

(i) By post.
(ii) By railways.
(iii) By railways and buses.

Light weight parcels can be sent by post. -

The rate of postage is as follows :—

(i)	**By ordinary mail.**		
	For every 500 gms.		Rs. 1.00
	For every additional 500 gms.		80 Paisa
(ii)	**By Air Mail.**		
	For every 500 gms.		Rs. 1.35
	surface Postage +	——	0.50 paisa
(iii)	Registration Fee	——	1.60 Paisa

Bearing or under-stamped parcels are not accepted. Parcels weighing upto 5 kg. may be sent without being registered but those weighing more than 5 kg. have to be.

But parcel weighing more than 10 kg. cannot be sent by post.

The maximum length of parcel can be 10.50 decimeter-but the sum total of the length and the circumference cannot be more than 18 decimeters, only one personal letter can be enclosed in a parcel. If more than one letter are enclosed and discovered, the addressee will be charged double the postage rate and the postage already paid will not be deducted. If the addressee refuses to accept the parcel, it will be sent back to the sender without any additional postage.

Packing of the Parcel :

A parcel must be packed firmly. If its contents are liquid, they should be put in a can or a bottle, and then enclosed in a wooden box with saw-dust around the can or the bottle, so that in case of any breakage, the liquid material is absorbed by it without other things being soiled. In case of a parcel containing religious books, or glass-ware or some other breakable articles, the parcel should be labelled as follows :-

Glass with care.
Medicines with care.
Books with care.
Religious Literature with care.

Despatch of the Parcel :

A parcel meant to be despatched should be handed over to the clerk concerned in the post office. A parcel put in a post box will be treated as a registered parcel. The receipt of the parcel should be kept safe. The address written on the parcel must be neat, clean and complete. The name of the addressee, the number of his house, name of the street or the lane of the 'mohallah', the village, the Tehsil' or police station of the city and of the province should be included in the address. The name and address of the sender should also be written so that it can be returned to him in case the addressee does not accept it or he is not traceable.

Forbidden Articles :

Following articles are forbidden to be sent by a parcel :—

(a) obscene photographs and phonographic writings ;

(b) writings inciting people to sedition.

(c) poisonous things and narcotics e.g. opium, cacoin, arsenic etc ;

(d) all kinds of animals, birds and insects except bees ;

(e) sharp-edged articles not carefully wrapped e.g. knives etc ;

(f) explosives and combustible articles.

(g) gold of value above Rs. 700/-. Like letters, parcels can also be got registered and insured as well as sent by Air Mail.

QUESTIONS

1. **What procedures are followed for sending a parcel by post ?**
2. **Farah Saeeda wishes to send the following articles to her brother Anwar Saeed :—**
   - **(*a*) a bundle of books weighing 3 kg.**
   - **(*b*) a coat weighing 5 kg.**
   - **(*c*) a bottle of honey weighing 1.5 kg.**
   - **(*d*) medicines weighing 200 gms.**

   What care should she take in doing so ?
3. **How much postage is to be paid for the parcels of following weights :—**
   - **(*a*) 70 gms.**
   - **(*b*) 120 gms.**

(*c*) 260 gms.
(*d*) 860 gms.
(*e*) 1120 gram.

4. **Ruqiyyah Begum prepared a parcel of books to be sent to her brother, in which she enclosed a personal letter. Then, she remembered to send a letter to her sister Shahida too. She put another letter in the parcel. By chance, the parcel got damaged in transit and opened up. The post office people then came to know about the letters placed in the parcel. What action will the Post Office Department take and what fine will her brother have to pay? The parcel weighed 850 gms.**

5. **Sabira Sultana wishes to send a bottle of pure honey to her brother. How should she manage to send it safe? If the honey weighs 7 Hectograms and the bottle 200 gms, what will be the approximate expenditure on sending this parcel?**

Value Payable Parcels :

Registered letters, book post and bundles of registered news-papers, bearing full postage stamps may be sent by value payable parcel (V.P.P.). This method is convenient for both the shop keepers as well as the customers. Suppose a person wishes to get some books or other articles from another city but he does not like to pay in advance. In such a case he can get these books or other articles by V.P.P. Similiarly, if a merchant wishes that his customers should pay immediately after receiving the goods, he can send them by V.P.P.

Procedure For Sending V.P.P :

In order to send a V.P. Parcel, one has to affix postage stamps at the rate of Rs. 1.00 for every 500 gms. In case of a letter 40 paisa for every 20 gms In addition to this, Rs. 1.00 stamps will have to be affixed for registration. For the more, money-order commission according to the following schedule will be charged.

For Rs. 50 or less	00.75	Paisas.
Not exceeding Rs. 100	1.50	Paisas.
„ „ Rs. 150	2.00	„
„ „ „ 200	2.50	„
For every additional Rs. 50.00	00.50	„

The maximum amount permissible to be received through money-order by V.P.P. is Rs. 1000/-.

The procedure for sending a V.P. Parcel is prepared on receiving an order, with the names and address of the addressee as well as the sender correctly and neatly written. Before its registration, the sender fills in a form as well as a declaration to effect that the goods being sent are according to the order. This parcel alongwith the prescribed declaration is given to the clerk concerned. The addressee has to pay the amount written on the parcel as well as the money-order fee before taking possession of the parcel. The sender receives the amount by money-order.

If the V P. Parcel is very small or is prepared in such a manner as may not allow space for the post office label or the city of the addressee is not given in his address, the post office will not accept it. On the left corner above the address, the letters V.P.P. must be written and the address of the sender written below. If the V.P. Parcel is of a value less than Rs. 50/- it is delivered to the addressee at his residence. If the value exceeds Rs. 50/-, the addressee receives a notice from the post office on showing which he can receive it.

Legal documents, bonds, insurance policies, declarations, railway invoices etc can be sent by V.P.P.

If the addressee forgets to collect the V.P.P. with in seven days, it is returned to the sender who has to bear the costs for nothing. If the addressee wishes that he may receive the V.P.P. even after the expiry of 7 days, he should apply to this effect. In such a case the addressee has to pay additional fee in advance at the rate of 25 paisa per day.

A V.P. Parcel may also be insured as well as investigations may be made in this connection for which the sender or the addressee has to apply. A fee of Rs. 1/- has to be paid for getting a case investigated. Any complaint has to be made within a period of 12 months.

Example 1 :

Gauhar Sultana has to collect a V.P.P. for Rs. 12/-. What will she have to pay ?

Solution

The value of V.P.P. is Rs. 12/- which includes the cost of goods as well as the postage. She will have to pay as given below :—

Value of V.P.P = Rs. 12.00
Money Order Fee. = Rs. 00.75

Total = Rs. 12.75

Example 2

Shahida Begum received a notice for a V.P.P. for Rs. 65/-. She had not the money at that time. She informed the Post Master that she would receive it on the 8th day. She paid 25 paisa fee alongwith the application. How much will she have to pay on collecting the V.P.P. ?

Solution

Value of V.P.P. = Rs. 65.00
Money Order Fee = Rs. 1.50

Total = Rs. 66.50

QUESTIONS

1. What do you mean by V.P.P. ? What are the benefits of sending goods by V.P.P. ?
2. What care should be taken in sending a V.P.P. ? Under what circumstances can the post office refuse to accept a V.P.P. ?
3. Durra-Shahwaar collected a V.P.P. for Rs. 75.00 What did she pay on collecting it ?
4. What loss accrues to the sender if the V.P.P. is not collected ?
5. Sikanderah Begum placed an order for books with a book-seller for Rs. 35/- to be sent to her by V.P.P. When it reaches her, she has not got the required amount with her. She has to receive a money-order after three days. What should she do in order to collect the V.P.P. and what will she have to pay at that time ?

MONEY ORDER

There are a number of methods to send money from one place to another. But the easiest is to remit by money order. In order to do this, get a foam from the post office which costs 5 paisa. Fill in the form neatly and correctly. Then, give this form alongwith the money as well as Money Order Commission (M.O.C.) to the clerk concerned at the window. He will give you back a receipt in which the name of the recipient and the amount remitted are given. The money is sent to the addressee whose signed receipt is sent back to the sender.

Rates of Money Order Commission :

The rates of the Money Order Commission are as given below :—

For every Rs. 50 or less	0.75	Paisas.
Not exceeding Rs. 100	1.50	,,
For every additional Rs. 50	0.50	,,

These rates are only upto a limit of Rs. 100/-, after which, 20 paisa are charged for additional Rs. 10/-

The maximum amount permitted to be sent by money order is Rs. 1000/-. The sender or remitter may write some message for the recipient or the addressee on the coupon of the money order form, which must have the signatures or the thumb impression of the sender, otherwise the form will not be accepted. The address of the recipient must be correct. In case of wrong address, the post office will not be responsible if the money is remitted to a wrong person. The name and address of the recipient can be changed as well as the remittance stopped provided the sender informs the post office accepting the money order in time.

Telegraphic Money Order :

Money order is sent like ordinary post and reaches the destination in two or three days. If we wish that it should reach the recipient within hours, we should send it by Telegraphic Money Order (T.M O). If it is ordinary, we should write on the form 'By Ordinary Telegram', and if express, the words "By Express Telegram"

In this case, the post office will charge, in addition to ordinary Money Order Commission, fee for the Telegram on the basis of the number of words and 25 paisa surcharge. The sender will get the signed receipt the recipient by post.

Ratio of Telegram :

Ordinary :	(i)	First Ten words.	Rs.	1.50
	(ii)	Every additional word.		15 Pai
Express :	(i)	First Ten words.	Rs.	3.00
	(ii)	Every additional word.		30 Pai

MONEY ORDER BY AIR MAIL

If we wish that our money order should be sent Air Mail, 10 paisa additional fee will be charged ov and above ordinary Money Order Commission.

Example 1

Zubaida sent Rs. 25/- by money order to her sist Naheed. What amount did she pay to the post offi clerk ?

Solution

Amount of Money Order.	Rs.	25.00
Money Order Commission.	Rs.	C0.75
Total.	Rs.	25.75

Example 2

Nasreen sent Rs. 35/- by Express Telegraphic Mon order. What amount did she pay to the post off clerk ? The Telegram comprised 10 words.

Solution

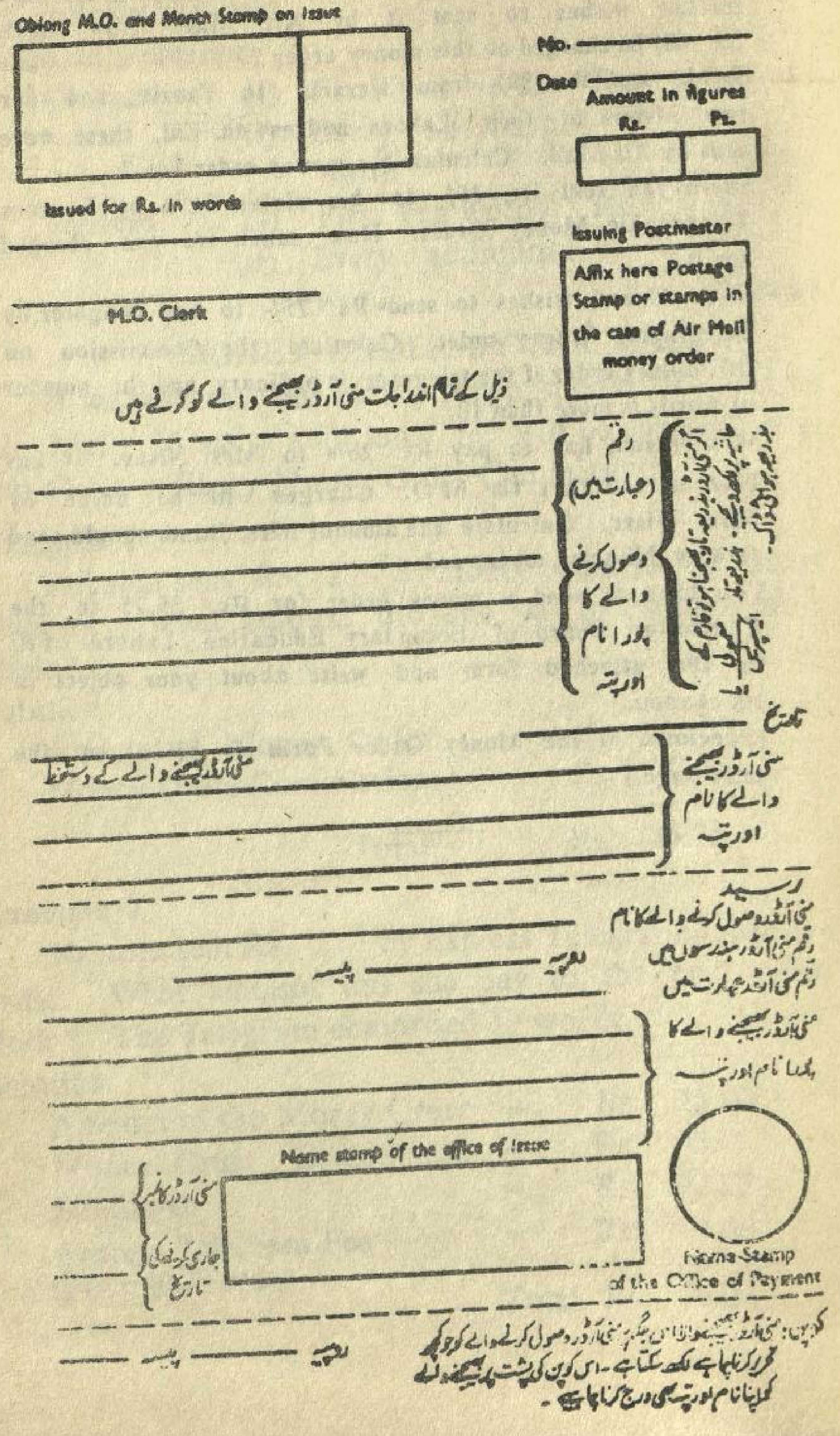
Amount of the Money Order	=	Rs.	35.00
Money Order Commission	=	Rs.	00.75
Surcharge	=	Rs.	00.25
Express Telegram Fee (First 10 Words)	=	Rs.	3.00
	Total	Rs.	39.00

QUESTIONS

1. **A person wishes to send Rs. 25/- by Money Order and further wishes to sent it by Air Mail. How much fee will be charged on this money order ?**
2. **Sajida sent Rs. 30/- from Karachi to Fauzia and her two sisters at their Lahore address on. Eid, these were sent by Air Mail. Calculate the money order Fee ?**
3. **Surrayyah sent Rs. 15/- to her sister Saffa by Express Telegraphic Money Order. How much fee was charged for it ?**
4. **Mrs. Ahmad wishes to send Rs. 75/- to her daughter by Telegraphic Money order. Calculate the Commission on this money order if the telegram is ordinary and the number of words is more than 10.**
5. **Mrs. Ikram has to pay Rs. 26/- to Mrs. Nisar. It has been agreed that the M O. Charges will be borne by Mrs. Nisar. Calculate the amount Mrs. Ikram should send to Mrs Nisar by money order ?**
6. **You have to send a money order for Rs. 35.25 to the Controller, Board of Secondary Education, Lahore. Fill in the attached form and write about your object in its coupon.**

   (Specimen of the Money Order Form is given on the next page.)

SPECIMEN OF THE MONEY ORDER FORM



Oblong M.O. and Month Stamp on Issue

No. ____

Date ____

Amount in figures

Rs.	Ps.

Issued for Rs. in words ____

Issuing Postmaster

Affix here Postage Stamp or stamps in the case of Air Mail money order

M.O. Clerk

ذیل کے تمام اندراجات منی آرڈر بھیجنے والے کو کرنے ہیں

رقم (عبارت میں)

وصول کرنے والے کا پورا نام اور پتہ

اگر منی آرڈر بذریعہ تار بھیجنا ہو تو فارم کے حاشیہ پر لکھ دیجیے۔ بذریعہ تار معمولی / ایکسپریس یا بذریعہ ہوائی ڈاک۔

تاریخ

منی آرڈر بھیجنے والے کے دستخط

منی آرڈر بھیجنے والے کا نام اور پتہ

رسید

منی آرڈر وصول کرنے والے کا نام

رقم منی آرڈر ہندسوں میں

رقم منی آرڈر عبارت میں

روپیہ ____ پیسہ ____

منی آرڈر بھیجنے والے کا پورا نام اور پتہ

Name stamp of the office of issue

منی آرڈر کا نمبر

جاری کرنے کی تاریخ

Name-Stamp of the Office of Payment

کوپن: منی آرڈر بھیجنے والا اس جگہ پر منی آرڈر وصول کرنے والے کو جو کچھ تحریر کرنا چاہے لکھ سکتا ہے۔ اس کوپن کی پشت پر بھیجنے والے کو اپنا نام اور پتہ بھی درج کرنا چاہیے۔

روپیہ ____ پیسہ ____

POSTAL ORDER

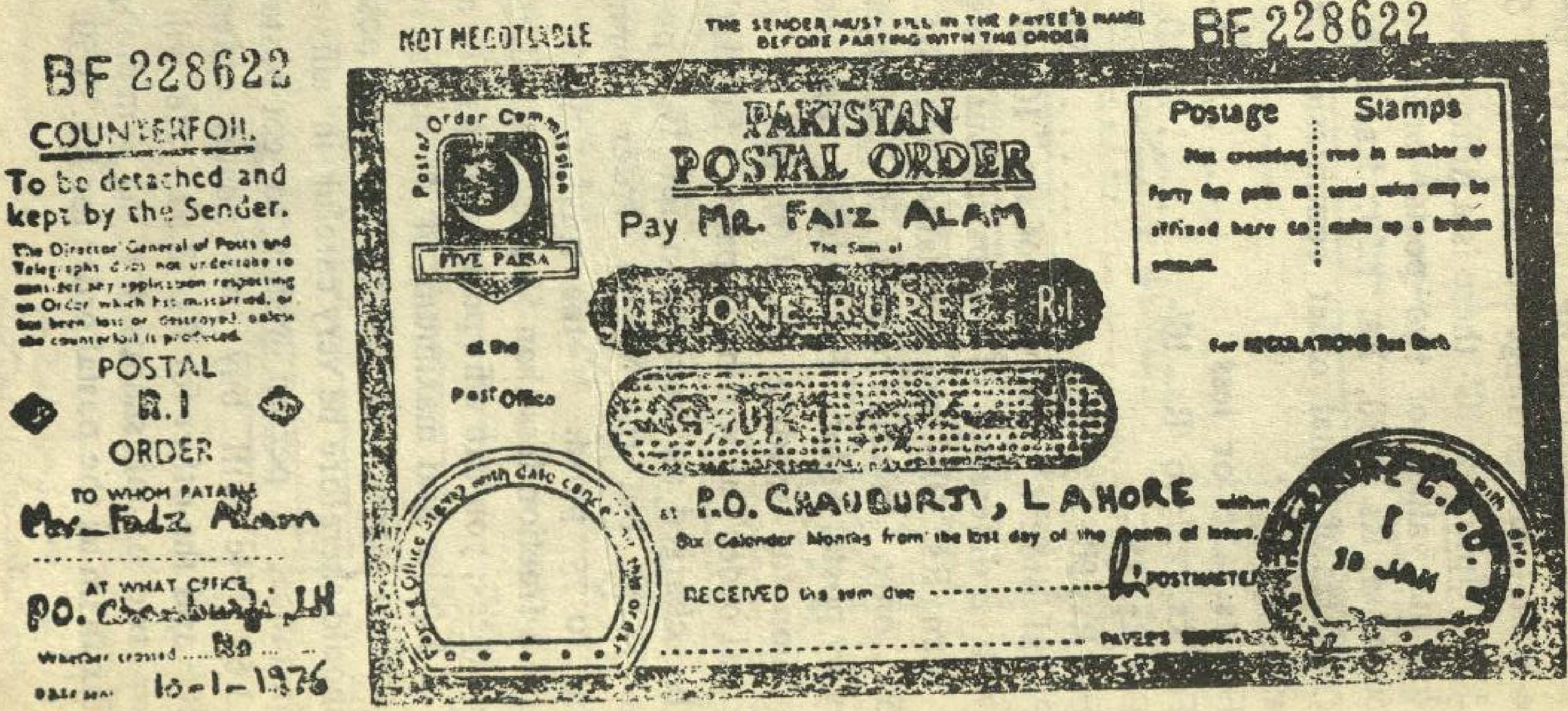
One of the easy methods of sending money from one place to another is to remit it by postal order. These postal orders range in value from 50 paisa to Rs. 50/-. Upto Rs. 10/- there is a difference of 50 paisa between the values of two postal orders. These are for 50 paisa, Rs. 1·00, Rs. 1.50, Rs. 2.00 etc.

The rates of postal order commission are as given below :—

For Rs. 5/- or less	5 Paisa.
For Rs. 5/- to Rs. 10/-	10 Paisa.
For Rs. 25/-	25 Paisa.
For Rs. 50/-	50 Paisa.

Postal orders of a value of Rs. 10/- or less can be had with, a difference of 50 paisa but those of value more than Rs. 10/- are available for Rs. 25/- and Rs. 50/- only. In some respects it is cheaper to remit money by postal order. For instance, the money order commission for sending Rs. 8.00 will be 75 paisa but the postal order Fee will be 10 paisa. Similarly, 20 paisa will be charged as commission for two postal orders of Rs. 18.00, but the Money Order Commission will amount to 75 paisa. If the total amount to be sent contains a fraction less than 50 paisa in addition to the whole rupees, you can affix postal stamps, for a minimum value of 5 paisa and maximum of 45 paisa. More than two stamps cannot be affixed on one postal order. You should therefore be very careful in affixing stamps. For instance, a person wishes to get postal order for Rs. 13.63. He will buy two postal order, one for Rs. 10/- and the other for Rs. 3.50. He will then buy one or two postal stamps for the remaining 13 paisa and affix them as the postal order for Rs. 3.50.

SPECIMEN OF POSTAL ORDER



BF 228622

COUNTERFOIL

To be detached and kept by the Sender.

The Director General of Posts and Telegraphs does not undertake to consider any application respecting an Order which has miscarried, or has been lost or destroyed, unless the counterfoil is produced.

POSTAL
R.1
ORDER

TO WHOM PAYABLE
Mr. Faiz Alam

AT WHAT OFFICE
PO. Chauburji LH

Whether crossed ..... No ...

Date issue 10-1-1976

NOT NEGOTIABLE

THE SENDER MUST FILL IN THE PAYEE'S NAME BEFORE PARTING WITH THE ORDER

BF 228622

Postal Order Commission

FIVE PAISA

PAKISTAN
POSTAL ORDER

Pay MR. FAIZ ALAM

The Sum of

R1 ONE RUPEE R1

[illegible]

at the Post Office at P.O. CHAUBURJI, LAHORE within Six Calendar Months from the last day of the month of issue.

POSTMASTER

RECEIVED the sum due ....

.... PAYEE'S SIGN.

Postage Stamps not exceeding two in number of Forty five paisa in total value may be affixed here to make up a broken amount.

For REGULATIONS See Back.

Post Office Stamp with date cancelling this order

1
10 JAN

A postal order has two portions, one is the order and the other the counterfoil.

While sending the postal order, one should keep the counterfoil with him and send the remaining portion. On the receipt of the postal order, the recipient can go to the post office within a period of 6 months from the date of issue and get the money by signing the postal order.

If the postal order is not encashed within a period of one year from the date of issue, it will become time-barred and unvalid. After the expiry of a period of 6 months, it is compulsory to affix a 5 paisa stamp for getting it cashed.

A postal order can be crossed like a cheque of a bank. After being crossed it can only be deposited in a bank. If the name of a particular bank is written on it, then it can be deposited in that bank only. An entry once made in a postal order cannot be changed.

The buyer of a postal order can get his money back from the postal office by presenting the postal order as well as the counterfoil, but the commission once charged cannot be returned. A post office may refuse to pay for a postal order which has been soiled, torn or the entries on which have been altered. Once the payment on a postal order is refused, it cannot be encashed at all.

Example 1

Farkhunda wishes to send Rs. 68.50 to her brother. Which is the better way, by postal order or money order. Calculate the commission to be paid in both the cases.

Solution

Farkhundah will have to pay Rs. 1.50 as commission for sending Rs. 68.50 by money order.

In case of sending this amount by postal order, she will have to buy 3 postal orders, one each for Rs. 50/-, Rs. 10/- and Rs. 8.50. The cost of these postal orders will be 10 × 7 70 paisa. If we include 40 paisa as the cost of envelope, she will save 40 paisa in this way. But if she gets the envelope registerered the total expenses will be Rs. 1.80.

Example 2

Shahida Gul wishes to get a book from a Lahore book-seller. What should be the value of the postal order she must send, if the price of the book including postage is Rs. 15.72? Calculate the expenses on getting the book by V.P.P.

Solution

She should buy two postal orders of -Rs. 10 & Rs. 5.50 and buy one or two postal stamps for the remaining 22 paisa. She will pay 20 paisa as P.O. Commission and spend 20 paisa on the envelope. In case of V.P.P., she will pay 75 paisa as money order commission in addition to the price of the book including postage. The second alternative is better.

QUESTIONS

1. **Explain the following terms :—**
   Postal Order, Telegraphic Money Order, V.P.P.
2. **Naseem Akhtar has to send Rs. 27.67 to a shop-keeper. What should be the value of the Postal Order she must buy in order to remit this amount ?**
3. **A person has to send Rs. 25/- from Lahore to Jhelum. Which is the cheaper method ; money order or by postal order ?**
4. **Shahnaaz sent her friend Sarud Anjum a postal order for Rs. 10/- issued on June 26, 1975. Sarud Anjum kept it**

some where and forget about it. She remembered about it on February 15, 1976 and found it after a search. How should sarud Anjum get it encashed ?

5. Rehana Firdous wishes to get a book from a Karachi book-seller. What should be the value of the postal order, if the price of the book, including postage is Rs. 17.63, also calculate expenses on getting it by V.P.P.
6. Naheed Kausar wishes to send Rs. 50/- to her son Suhail by Telegraphic Money Order. If the telegram comprises 11 words, what will be the total expenses ?
7. Find out the cost of sending the following money order :—
   - a. Rs. 175/- from Lahore to Karachi.
   - b. Rs. 225/- from Jhelum to Faisalabad by ordinary telegram comprising of 10 words ?
   - c. Rs. 190/- from Jhelum to Lahore by Express Telegram containing 8 words.

AIR MAIL

All kinds of postal articles i.e. post cards, envelopes, packets including parcels, and money-orders can be sent by Air Mail. The postal articles, destined for places not having an air port, are sent to the nearest Air Service base, from where they are sent to their respective destinations like ordinary post. All the postal regulations generally applied to ordinary post, are also applied to Air Mail. Every article bearing air mail postage is taken to its destination in the earliest possible time.

The registered and insured postal articles, V.P.P. and Express Delivery letter can also be sent by Air Mail. The signed acknowledgement receipts are sent by ordinary post. Letters or parcels meant to be sent by Air Mail are affixed with a blue label bearing the words "Air Mail".

This label is given at the post offices free of cost. If such a label is not available, one may write the words "By Air Mail' on the upper corner of the postal article. The rates for sending articles by Air Mail are given below :—

In Land Air Mail :

(a)	Envelopes of 10 gms. or its fraction.	... 40 Paisa
(b)	Aerogram	... 40 Paisa
(c)	Single Post Card	... 20 Paisa
(d)	Reply Post Card	... 40 Paisa
(f)	Books and small packets within Pakistan.	Air Mail fee at the rate of Rs. 2.00 for every 5 gms. or a fraction in addition to ordinary postage.
(g)	Registered News-papers. (within Pakistan)	Air Mail Fee at the rate of 10 paisa for every 10 gms. or a fraction addition to ordinary postage.
(h)	Books for the Blinds. (within Pakistan)	10 paisa for every 10 gms. or a fraction.
(i)	Parcels (By Air Mail)	50 Paisa for every 500 gms, or a fraction and registration fee of **Rs.** 1.60

FOREIGN AIR MAIL

The rates for sending postal articles by air mail to foreign countries are different from inland Rates. These are given in detail in "Pakistan Post & Telegraph Manual".

The rates of sending letters and post cards to foreign countries are as given below :—

Country	Post Card	Envelope 10 gms. or a fraction	Aerogram
Abu Dhabi	2.35	2.25	2.00
Afghanistan	2.35	2.25	2.00
Africa	2.60	3.00	2.00
Belgium	2.65	6.00	2.00
China	2.65	2.90	2.00
Canada	2.90	4.00	2.50
U.K. & Northern Island	2.65	3.00	2.00
Iran	0.40	0.85	0.70
Iraq, Jordan	0.40	0.85	0.70
India	2.45	2.40	2.00
Indonesia	0.60	1.30	0.95
Kuwait	0.40	0.85	0.70
Libya	2.60	2.70	2.00
Lebanon	2.45	2.45	2.00
New Zealand	2.90	3.75	2.00
Saudi Arabia	0.40	0.85	0.70
Syria	0.40	0.85	0.70
Switzerland	2.65	3.00	2.00
Sri Lanka	0.40	0.85	0.70
Turkey	0.45	1.10	0.95
U.S.A.	2.90	4.00	2.50
U.S.S.R.	2.65	2.85	2.00

QUESTIONS

1. **What is the difference between the ordinary post and Air Mail? Which postal articles can be sent by Air Mail?**
2. **Mrs. Latif sent two letters by Air Mail, one to Delhi and the other to Tehran. How much postage was paid for each?**

TELEGRAM

We can send important messages to our friends and relatives in short words by means of telegram. In big cities, post office and Telegraph offices are separately located. But in small towns, both are located at one place. If there is no telegraph office in a village or a small town, the telegram is sent to the nearest Telegraph office which then delivers it by post. If the distance of the village or the town is less than 5 kilometers from the telegraph office, the telegram is carried to its destination by a messenger.

Telegrams are of two types :

(i) Inland. (ii) Foreign.

Inland telegram can be sent either as (i) ordinary or (ii) express.

Working Hours of a Telegraph Office :

Ordinary telegrams are not accepted between 9 p.m. and 8 a.m. nor are they delivered between 11 p.m. and 6 a.m. During normal working hours, Express Telegrams are given priority over ordinary telegrams.

Rates For Sending Telegrams :

A. Inland Telegrams

(i) Express.	For the first 10 words	Rs.	3.00
	For every additional word.	Rs.	0.30

(ii) Ordinary.	For the first 10 words.	Rs. 1.50
	For every additional word.	Rs. 0.12

B. For Afghanistan

(i) Express.	For the first 10 words	Rs. 10.00
	For every additional word.	Rs. 1.00
(ii) Ordinary.	For the first 10 words.	Rs. 5.00
	For every additional word.	Rs. 0.50

C. For Burma

Express.	For the first 10 words.	Rs. 9.00
	For every additional word.	Rs. 0.90

D. For Iran & Turkey

(i) Express.	For the first 10 words	Rs. 10.00
	For every additional word.	Rs. 1.00
(ii) Ordinary..	For the first 10 words	Rs. 5.00
	For every additional word.	Rs. 0.50

Holidays at the Telegraph Office :

The service is restricted and available between 9 a.m. to 4 p.m. on week days and between 7 a.m. to 8 a.m. on fridays and telegraph holidays.

During the closed hours of a telegram office, express telegram may be sent on payment of late fee. This service is available for telegraph office within Pakistan limit. A 'late fee' of Ruppee one and paisa 50 for each closed office which is required to deal with the telegram will be charged extra. In big cities, arrangements are made to keep one telegraph office open for accepting express telegrams while others are closed.

Words in a Telegram :

One should be very careful and prudent in writing a telegram, because the cost of sending a telegram depends upon the number of words in it. The address must be brief and clear so that there is no difficulty in delivering it. The word in a telegram must be short and clear. A word comprising more than 15 letters is treated as two. Abbreviations are considered as separate words.

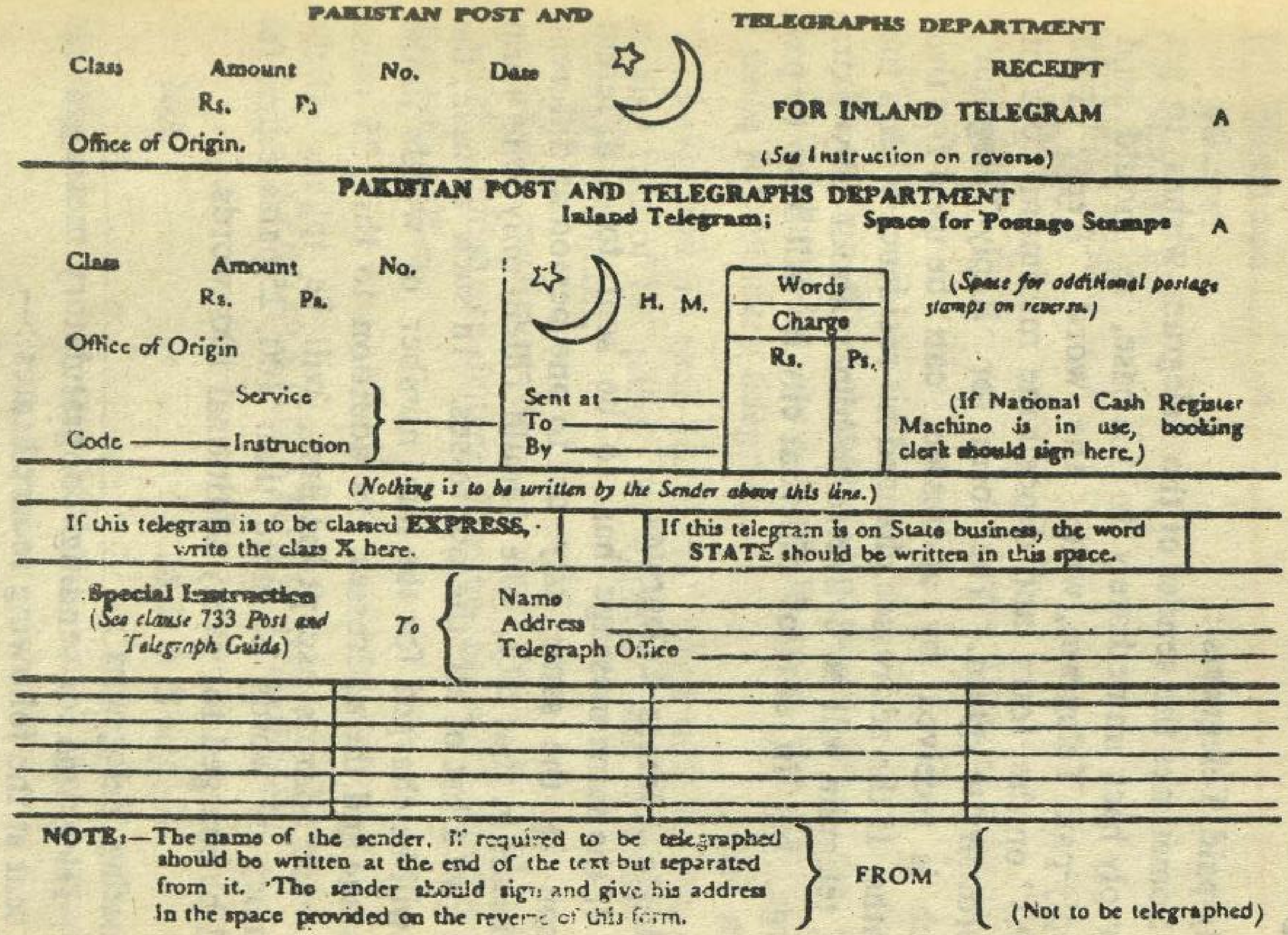
For instance A.B. Akram will be three words but Abubakr Akram will be two words. Similarly the digits and punctuation marks are counted as separate words. A group of letters and digits or cheque numbers upto five digits are treated as one word.

Procedure of sending A Telegram :

When you wish to send a telegram, get a form from the telegraph office. It comprises three portions. In one of them, the name of the addressee, his address and the name of the telegraph office of destination are written. In the second portion, the text of the message and the name of the sender is entered. The signatures of the sender are given on the back of the form which is the third portion. It is better to write the address and the text of the message in block Letter.

In case the prescribed form is not available, write the telegraphic message on a plain sheet of paper and give it to the clerk concerned. He will count the words and calculate the cost, according to which postage stamps are affixed. The clerk concerned will give a receipt for the telegram which should be kept safe. An express telegram should be inscribed with the word "EXPRESS". Similarly government official telegrams should bear the word "STATE". Only the name of the sender is sent in a telegram and his address.

SPECIMEN OF THE FORM FOR INLAND TELEGRAM



PAKISTAN POST AND TELEGRAPHS DEPARTMENT

Class Amount No. Date

Rs. Ps.

Office of Origin.

RECEIPT

FOR INLAND TELEGRAM A

(See Instruction on reverse)

PAKISTAN POST AND TELEGRAPHS DEPARTMENT

Inland Telegram; Space for Postage Stamps A

Class Amount No.

Rs. Ps.

Office of Origin

Service

Code ——— Instruction

H. M.

Sent at ———

To ———

By ———

Words	
Charge	
Rs.	Ps.

(Space for additional postage stamps on reverse.)

(If National Cash Register Machine is in use, booking clerk should sign here.)

(*Nothing is to be written by the Sender above this line.*)

If this telegram is to be classed **EXPRESS**, write the class X here.

If this telegram is on State business, the word STATE should be written in this space.

Special Instruction
(*See clause 733 Post and Telegraph Guide*)

To Name ———

Address ———

Telegraph Office ———

NOTE:—The name of the sender, if required to be telegraphed should be written at the end of the text but separated from it. The sender should sign and give his address in the space provided on the reverse of this form.

FROM

(Not to be telegraphed)

There are separate forms for Inland and Foreign Telegrams.

Reply-paid Telegrams :

Sometimes the sender of the telegram wishes to get the reply back immediately. In this case, he should send a reply-paid Telegram, write the word "Reply Paid (R.P.)" on the form and deposit the minimum cost of an ordinary telegram. The form for 'Reply-Telegram', which is received by addressee, can be used for two months. If the addressee,changed his residence within the city, telegram will be delivered to him without any extra charge, but in case of different city he will have to pay extra fee.

Multiple Address Telegrams :

If the same message has to be sent to a different person in the same city or to one person at different addresses in that city, one should fill in only one form and give a list of all the addresses. In such a case, the fee will be charged for the total number of words in the message and the addresses. In addition to this, 25 paisa for each address except the first, will be taken. If the number of words is more than 100, 25 paisa extra fee will be charged for every additional 100 words.

Greeting Telegrams :

Telegrams for sending congratulatory messages can be sent at the following reduced rates :—

Rates

	No. of words	Express	Ordinary
(1) Name and address	4		
(2) Message No.	1		
(3) Name of the sender	1		
Total	6	Rs. 1·80	Rs. 0.90

In section (i) each additional word after the first 4, will be charged at the rate of 18 paisa for express and 9 paisa for ordinary telegram.

In section (ii) each additional word will be charged at the rate of 18 paisa for express and 9 Paisa for ordinary telegram.

These messages can be sent both in Urdu and English. Which are delivered in the form of beautifully printed cards.

CONGRATULATORY PHRASES

No.	MESSAGE
One	Eid Mubarik and Many Happy Returns.
Two	A Merry Christmas and Happy New Year.
Three	A Merry Christmas to you.
Four	A Happy New Year to you.

No.	MESSAGE
Five	My Heartiest Diwali Greeting to you.
Six	Many Happy Returns of the Day.
Seven	Best Congratulations on New Arrival.
Eight	Congratulations on the Distinction Conferred on you.
Nine	Best wishes for a Long and Happy Married Life.
Ten	Hearty Congratulation on your Success in the examination.
Eleven	Heartiest Bijoya Greeting.
Twelve	Best Wishes for a safe and pleasent Journey.
Thirteen	Hearty Congratulations on Success in Election.
Fourteen	Many Thanks for your Good Wishes.
Fifteen	Kind Remembrance and all Good Wishes on independence Day.
Sixteen	My Cordial Salutations on Pakistan Day, Long Live Pakistan.
Seventeen	Heartiest Congratulations on your Promotion.
Eighteen	Heartiest Congratulations on Your Appointment.
Ninteen	Haj Mubarik.
Twenty	Heartiest Congratulations on your Son's Marriage
Twenty One	Heartiest Congratulations on your Daughter's Marriage.

De-Luxe Telegrams :

A congratulatory message by Telegraph can be sent through One's own sentences. Such a telegram is given at full rates of payment. A telegram, may be ordinary or express, can be delivered in specially printed and beautifully designed envelopes, if 30 paisa are paid in addition to the normal cost. Such telegram can be sent as Multiple Address Telegram provided on extra payment of 30 Paisa for each address.

A person desirous of sending such telegram should write "—L.X—" before or after every address as special instruction.

ABBREVIATED ADDRESS TELEGRAMS

The sender of such a telegram pays, in addition to the charges on the actual message, for the address treated one word. Big commercial concerns and mill-owners, get abbreviated addresses, for sake of the convenience of their clients and saving expenditure. An abbreviated address is got registered with the nearest telegraph office. While sending telegrams to such concerns, one needs not to write full address but only one special word and the name of the city. In order to get such an address registered one has to pay Rs. 60/- yearly or Rs. 30/- every six months. The number of letters in such an address must not be more than 10. This address is also used for the publicity of the firm.

Example 1

Nighat Yasmin, in connection with some business, wishes to send a telegram to the Manager Continental Travellers, Hotel Ambassador, Davis Road, Lahore. The abbreviated address of this firm is given as "BISMILLAH" The text of the message comprises 15 words. What will be the cost for the telegram ?

Solution

The designation, the address and the city. 1+1+1	=	3 words.
Text of the message	=	15 words.
Sender's Name	=	1 word.
Total	=	19 words.
Charges in case of ordinary telegram	15 × 19 = Rs.	2.85
Charges in case of Express Telegram	30 × 19 = Rs.	5.70

Phonogram :

Those who have telephones installed at their offices or residence can deposit a specified advance money with the nearest post office or telegraph office and thus can have the facility of sending their telegrams on phone. The message as well as the name and address of the addressee is dictated on the telephone and thus one is saved from going to the telegram office. The cost of the telegram is debited to the account concerned and a weekly statement of such telegrams is sent to the subscriber.

Example 1

Shahana Tanveer wishes to send a phonogram to her brother informing him of her arrival in Lahore. What should she do ?

Solution

As Shahana Tanveer has a phonogram account with the post office or telegraph office, she does not need going to telegraph office herself. She can give her name and telephone number as well as the name and address of her brother who will receive the telegram alongwith the text of the message. The telegraph office will arrange to send the telegram and debit the cost to her account.

Telegram Through Phone :

If you wish to send a telegram to a person having a telephone and you know the telephone number, you can get your message conveyed to him on telephone as soon as the telegram is received in the telegraph office of the city he is in. For such a telegram, it is sufficient to give the name, telephone number and city of the addressee. Such a telegram is written as shown below ;

MISS TAHIRA PERVEEN
Tel. Ph. No. 57696
LAHORE
ZAHIR REACHING LAHORE AT 10 A.M.
BY PLANE TOMORROW
GULSHAN

Cancellation of the Telegram :

A telegram can be got cancelled before it has been sent. In such a case, 30 paisa are deducted and remaining amount retained.

Complaints :

Any complaints about a telegram should be made to the Area Post Master General within two months. If the telegram has not reached its destination within the proper time limit on account of the mistake of the telegraph office, the fee paid for it is returned.

Example 1

Zahida wishes to call her brother due to the illness of her mother. His address is :—

Shakur, 15 Nisbet Road,
Lahore.

Write a suitable Telegram and calculate its cost.

Solution

SHAKUR
15 NISBET ROAD
LAHORE
MOTHER SERIOUSLY ILL REACH SOON
ZAHIDA

Cost. Total Number of words = 11

For first 10 words	=	Rs.	1.50
For additional 1 word	=	Rs.	0.15
	=	Rs.	1.65

Example 2

Asima wishes to send Eid Greetings to her brother. His address is, care of Phillips Electrical Company, Karachi". Write a proper Telegram and calculate the cost.

Solution

For Eid greeting there is a set phrase No. 1. It is therefore sufficient to write ONE, instead of a complete sentence. The text will be :—

SAJID
PHILLIPS ELECTRICAL COMPANY
KARACHI
ONE
Asima.

Cost.

Total number of words = Address (4+1) = 5
Message (1), Name of the sender(1) = 7
Cost for 6 words = 90 paisa.
Cost for 1 additional word = 9 paisa.

Total. 99 Paisa.

QUESTIONS

1. **Explain the following terms :—**
   Express Telegram ; Reply-paid Telegram ; Congratulatory Telegram, Phonogram.
2. **Sajida send an ordinary Reply-paid Telegram from Lahore to her friend Ulfat at her Peshawar address. She deposited the minimum charges. Ulfat had however reached Lahore two hours before the telegram reached there. What should be done to claim the deposited money back ?**
3. **Calculate the charges for the following telegrams :—**
   (a) 12 word Express Telegram from Lahore to Iran.
   (b) 15 word Express Telegram from Jhang to Lahore.
4. **Salammat sent Telegram. On his birthday to his five brothers at their address given below. The total number of words was 15. Calculate the total expenses.**
   a. Govt. College, Lahore.
   b. C.M.A. Office, Lahore.
   c. Gunj Moghalpura, Lahore.
   d. Qila Lachhaman Singh, Lahore.
   e. 41-jail Road, Lahore.
5. **What facilities do we get from the telegraph system. Describe briefly ?**
6. **Write a telegram to your friend Nasreen at 2—Lawrence Road, Lahore on her success in the examination. Calculate the charges ?**

FOREIGN TELEGRAM OR CABLEGRAM

Foreign Telegrams are the telegrams sent from or to Pakistan by countries other than India, Burma, Sri Lanka, Afghanistan and Tibet. The rates for these telegrams are different for different countries, which can be ascertained by referring to the Pakistan Post and Telegraph Tarrif Manual. Use the foreign Telegram form at the time of sending such a Telegram. The address must be clear and complete. The language should be simple. Objectionable telegrams are detained. The fee must be deposited in advance. Abbreviated address can be got registered in case of inland telegrams and on the same conditions.

Advance fee can be deposited for the reply-telegram but this amount should not be more than Rs. 68.00. If the charges deposited are more than actual charges by Rs.1.50 the extra amount can be returned. Multiple address Foreign telegrams can also be sent. While calculating the cost, Rs 3.95 per address are charged in addition to the charges on the total number of words in the first address and the text of the telegram, provided the words are less than 50. In case of more words, for every copy extra fee is charged at the rate of Rs. 1.98 per 50 words.

Delivery of the Telegram :

If it is desired that the telegram, after reaching the country of destination, should be delivered to the addressee by post in that country or some other, extra fee at the following rates has to be paid :--

Ordinary post.	POST	free of cost.
Registered post.	PR	Rs. 1.60
By Air Mail.	PAV	Rs. 2.35

By Registered
Air Mail. **PAVR** Rs. 3.95

Kinds of Foreign Telegrams

A. **Full Rate Telegram :**

They are similar to ordinary inland telegrams and the minimum number of 7 words is charged.

B. **Urgent Telegram :**

The charges for such telegrams are double the charges on the Full Rate Telegrams.

C. **Letter Telegrams. (LT) :**

The rates for such telegram are half the full Rate Telegrams. The minimum number of words charged is 22. Registered addresses can be used for such telegram. These should be marked with the letters LT. These telegrams are sent to only specified countries and on specified routes.

D. **Greeting Telegrams :**

Such telegrams are sent on happy occasion and should be marked with the letters GLT. An extra fee of 25 paisa per telegram is charged for a suitable and beautiful envelope.

Multiple Address telegrams can also be sent as greetings telegrams.

Specimen Form for Foreign Telegrams :

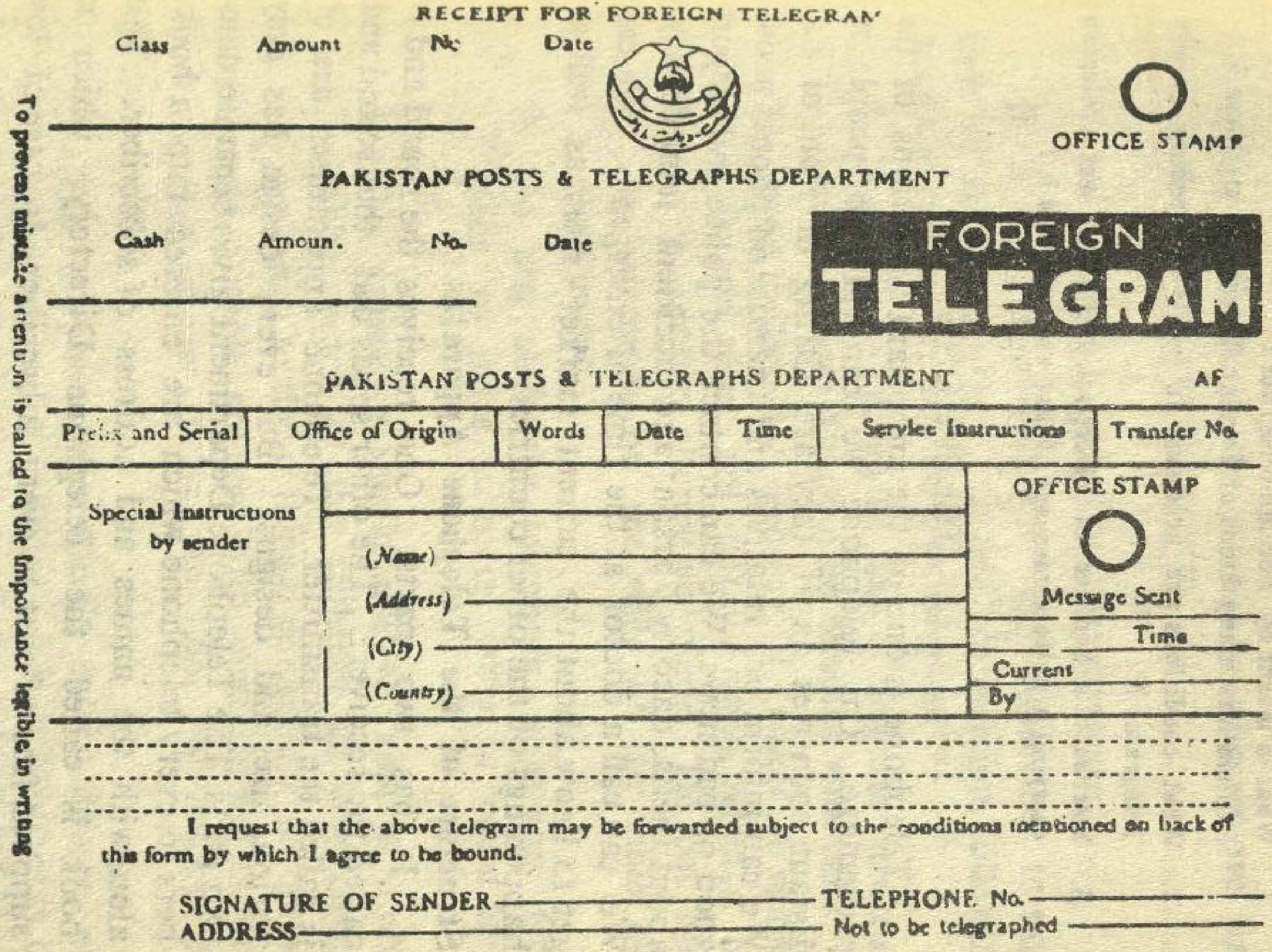
This form clearly shows that, at the time of sending a telegram, the sender must write the name of the addressee, and his address including the city and the country. All the charges must be paid in advance. You should get a prescribed form from the telegraph office and read carefully all the conditions to be fulfilled.

RATE OF SOME FOREIGN TELEGRAMS

(Subject to changes)

Name of the Country	Ordinary Telegram (7 words)	Letter Telegram (22 words)
U.S.A	Rs. 2.25	Rs. 1.13
U.K.	Rs. 2.80	Rs. 1.40
U.S.S.R.	Rs. 3.45	Rs. 1.73
China	Rs. 2.50	Rs. 1.25
France	Rs. 2.25	Rs. 1.13
West Germany	Rs. 2.35	Rs. 1.18
Canada	Rs. 1.95	Rs. 0.98
Italy	Rs. 2.45	Rs. 1.23
Japan	Rs. 4.20	Rs. 2.10
Saudi Arabia	Rs. 1.90	Rs. 1.45
Indonesia	Rs. 3.25	Rs. 1.63
Kuwait	Rs. 1.65	Rs. 0.83
Egypt	Rs. 2.35	Rs. 1.18
Singapore	Rs. 1.95	Rs. 0.98
Iraq	Rs. 3.35	Rs. 1.68
Malayia	Rs. 1.95	Rs. 0.98
Libya	Rs. 2.45	Rs. 1.23
Sri Lanka	Rs. 0.85	Rs. 0.43
Jordan	Rs. 3.10	Rs. 1.55

SPECIMEN FORM FOR FOREIGN TELEGRAM



RECEIPT FOR FOREIGN TELEGRAM

Class Amount No. Date

OFFICE STAMP

PAKISTAN POSTS & TELEGRAPHS DEPARTMENT

Cash Amount. No. Date

FOREIGN TELEGRAM

PAKISTAN POSTS & TELEGRAPHS DEPARTMENT AF

Prefix and Serial	Office of Origin	Words	Date	Time	Service Instructions	Transfer No.

Special Instructions by sender

(*Name*)

(*Address*)

(*City*)

(*Country*)

OFFICE STAMP

Message Sent

Time

Current

By

I request that the above telegram may be forwarded subject to the conditions mentioned on back of this form by which I agree to be bound.

SIGNATURE OF SENDER——— TELEPHONE No.———

ADDRESS——— Not to be telegraphed ———

To prevent mistake attention is called to the importance legible in writing

QUESTIONS

1. **What is meant by Foreign telegram ?**
   Explain how many kinds of Foreign Telegrams are there ?
2. **What conditions are necessary to fulfil for sending Foreign Telegrams ?**
3. **You have a brother in Liverpool. He was sent a telegram carrying a welfare message. What was spent on it ?**

TELEPHONE

Telephone is one of the important inventions of the presentage. On telephone we can talk to people in distant countries as if they are sitting in front of us. We can inform our relatives and friends on phone about good or bad news. We can contact the police and report about thefts, dacoity, arson and accident immediately. We can call a doctor at the time of emergency. We can get to know about the current market rates as well as happenings of the other countries.

Structure of the Telephone Apparatus :

It has two parts. One receives the sound and is called the receiver. The other sends out the sound and is called the transmitter. Telephone apparatuses are of various sizes and designs. But every design has only two parts. The Telephone Department gives separate numbers to every telephone which are entered into a book, alongwith the names and address of subscriber. This book is called the Telephone Directory, which is supplied free of cost to every subscriber. In case of loss of this Directory, one can have it on payment. All telephones of one city are connected to a centre, which is called the Telephone Exchange. The Telephone Operators work in this Exchange. They connect one telephone to another for conversation. There are mechanics working at the Exchange who remove any fault in the working of the system.

CARE OF THE TELEPHONE

It is the responsibility of the subscriber to take care of the apparatus. In this connection, following points of precaution may be kept in mind :—

1. A telephone apparatus has a delicate structure and therefore it should be handled with care.
2. Select a place for keeping it, where it remain safe and does not fall. Always select a big or a similar alternative place. Do not keep the telephone on the edge of the table or a small tripod.
3. Do not shift the telephone apparatus from place to place as it is liable to cause faults in it.
4. This apparatus should not be kept at a place within reach of the children as they have a tendency to throw things, nor should it be kept on a table covered with cloth as the children may throw it on the floor by pulling the cloth.
5. The telephone wire should not be thrown and scattered on the floor, as it will not only obstruct the movement of the people but also it may cause damage to the apparatus if some one stumbles over the wire and the apparatus fall on to the ground.
6. The apparatus should never get wet as the entry of water into it may cause damage.

7. The wire connected to receiver should not be twisted with the hands or fingers as it may cause the wires inside the rubber covering break and thus make it difficult to find out the fault.
8. If the voice disappears during the conversation or becomes low, do not press the cradle with force but push it down softly.
9. Always keep the receiver on the cradle as it is your moral degradation to separate the receiver and the cradle. It may happen that a person wants to talk something important but fails to do so on this account. Furthermore, it may create problems for the officials of the Department.
10. When the conversation ends put the receiver back on the cradle.

MANNERS OF USING A TELEPHONE

In order to use the telephone, it is a part of the code of ethics to call and listen to a call. While using the Telephone, always be polite and courteous. Always use sincere language, and the manner of conversation should be natural and not artificial. The speed should be proper and suitable. The voice should neither be too high nor too low to be heard. To remember the points given below is a part of the code of ethics to use the telephone.

Manners of Calling :

1. Before putting in a call, get the required number and remember it. It is still better to write it and keep it before you.

2. Remove the receiver and check whether it is working in order, by putting it to your ear. If you do not hear any sound, you should consider it as not in order. Put it back on the cradle and check it again after a little time. If the telephone apparatus is in order, you will hear a sound like a long whistle, but in case of any fault either there will be no sound at all or a kind of whispering will be heard. In both these cases, you cannot call.
3. If the telephone is in order, dial the digits after one another for which you should use your forefinger. Do not use a pencil, pen, or a knife for this purpose.
4. While dialing, move every digit to the end and then leave it and let it come back to its own place. Do not bring it back yourself.
5. While dialing, keep on hearing the sound during the interval between dialing two digits. If there is a whisper sound or an engaged tone, do not dial anymore and try again after some time. If there is no sound after dialing a digit, you should consider it as an indication of your success in getting the required number.
6. After having completed the dialing listen the sound in the receiver. You will hear the sound of bell of the other telephone apparatus. This sound will stop as soon as the receiver of that telephone is lifted. If the other number is busy you will hear repeated time of the engaged number. In such a case you should close it down and ring again after sometime.

7. As a matter of principle, it is the moral duty of the receiver of a call to disclose his name and telephone number. But in case, it is not done, you should yourself confirm whether it is the same number you have called on, or you should be giving message to a wrong number.
8. When you have got your number, begin your conversation calmly There is no need to be nervous or emotional. If by chance you have got the wrong number, you should apologize. To say "Sorry, Wrong" is the usual manner of apologizing in such case and is an indication of your being cultured.
9. If you have to give a message on the telephone, you had better indicate the message. If such a message is to be delivered to a particular person, then let him be called to attend the telephone and then begin talking.
10. The conversation must be done in suitable and proper sentences. The pronunciation of the words should be correct. Your nervousness during your conversation may cause the other person to be afraid. You had better write down your message on a piece of paper.
11. Do not call the unknown people on the telephone just to bother them. This gives a mental shock to them and obstructs their work.
12. Do not telephone a person late at night. Do not be a source of trouble by disturbing others during their rest. Call only when it is really emergent. Remember, it is considered bad to receive a call during the night. In such a case great care and caution is needed to give a message.

MANNERS OF RECEIVING A CALL

Ringing of the telephone bell indicates that some one likes to talk to you or give a message. In such a situation the method adopted is called the manners of receiving a telephone call. During a telephonic conversation following points must be kept in mind :—

1. To listen the call immediately after the telephone bell rings is your moral duty. It is bad to keep a person being busy because of your laziness.

2. When you lift the receiver, you must tell your name and address or the telephone number. The offices and business concerns usually tell the name of the office or the firm. While in case of a domestic telephone call it is sufficient to tell the name of the head of the family or the telephone number.

3. If the person giving a call wishes to speak to a particular person, you should politely say "Please Hold On". Do not insist on receiving a message.

4. If on account of some reasons the caller has got a wrong number you should tell him about it very politely. It is highly immoral to give a reply in an offended manner because it creates a bad impression on the other persons. If some one asks you about your telephone number you should not object or hesitate in telling it.

5. While listening to a call you should be very attentive. It is better to keep some paper near you so that you may write the message.

6. Do not interrupt while a person is speaking but instead wait till the end of the talk if you want to seek any clarification. You should be quiet while listening to the call and give some indications that you are following it.

7. Do not end your conversation abruptly, but should rather to say words like "Good Bye" or "Thank You".

8. Return the receiver softly to the cradle after you have finished with the call.

PROCEDURE FOR GETTING A TELEPHONE INSTALLED

If you wish to get a telephone connection, then in case of Lahore, Rawalpindi, Islamabad, Quetta, and Peshawar you should submit an application on a prescribed form to the Director Telephones, with the registration fee of Rs. 100.

This application can be had from any Telephone Exchange on the payment of Rs. 2.00. There is a Board constituted to consider and accept these application from the above mentioned cities. This Board takes an account of necessity of telephone for the applicant and its importance before granting his request. In addition to this, old applications are also considered by the Board on their turns. In other cities than those mentioned above, the applications are sent to the Divisional Engineer.

After the installation of the telephone has been sanctioned, the telephone office issues a demand notice which is in reality a demand for advance payment as security and covers the expenditure of installation. When the information about this payment is communicated to the concerned branch, it arranges to install a telephone of its own. Now-a-days a prospective subscriber of the telephone in Pakistan has to pay Rs. 2000/- towards the expenditure of the installation and Rs. 400/- in the form of prize bonds or Defence saving certificates as security for the local calls.

This money deposited as a security is returned to the subscriber when a telephone is removed after deducting the amount due on account of their calls. One may have instead of black apparatus, an apparatus of other colours also e.g. white, green, blue for which annual rent is Rs. 28/- or monthly as Rs. 3/- more than usual rent. One may have additional telephone on the same number which is called extension. Similarly, it is possible to get a special telephone for talking from one room to another, on extra payment.

It is possible to shift the telephone from one place to another, or from one building to another. The Department charges Rs. 20/- in case of shifting the telephone from one place to another in the same room, and 40/- in case of shifting it from one room to another in the same building. But in case of shifting the telephone from one building to another, whether it is in the same locality or in a different one, one has to pay Rs. 1000/- towards the charges. The telephone remains the same within the area of the same exchange otherwise a new number is given.

In special and emergent circumstances, one can get a telephone on temporary basis also. In order to get it, he has to apply in the same way as in case of a new telephone. The fee for the installation is Rs. 2000/- and a security deposit of Rs. 500/- The sanction for such a telephone is however immediately given e.g. in case of exhibitions, festivals, sports, seminar, conferences or for war purposes for a few days or weeks.

TELEPHONE CALLS

When a person wishes to talk to another person on telephone, it is known as a call.

Telephone calls can be divided into four kinds, namely.

1. Local Call.
2. Trunk Call.
3. Direct Call. (Direct Dialing).
4. Nation wide Dialling.
5. International Calls.
6. Overseas Trunk Call.

1. Local Call :

If a person wishes to speak to another person within the same city, he has to make a local call. For a local call, one has to follow a set procedure for the following different kinds of telephones :—

(a) Automatic Telephone.

In all big cities and in houses, the telephones installed are called Automatic telephones. For making a local call on such a telephone one does not need the help of a telephone operator, but instead, can talk to another person just by dialing the desired number. Every telephone has its own particular number. ·It has a dial fixed to it with digits from 1 to 9 and a zero. This dial is used in contacting the other telephones.

(b)· Telephone Through Private Exchange.

Such telephones are installed in big business concerns, government offices, hotels etc. All talks to such organizations are done through their private exchanges. Such a telephone has no number of its own nor has it any dial. These telephones are contacted through the exchange which has one more number for contacting the outside telephones. In such an exchange, every individual telephone is given a separate number, for sake of convenience. In order to talk on such a telephone, just lift the receiver and hold it to your ear. You will hear operators voice. Give him the desired number and close the telephone. He will himself ring you back and connect you to the given number so that you may have your conversation.

(c) Automatic Coin-box Telephone.

Such telephones are usually installed at the business centres, railway-stations, air-ports, universities, hotels etc., and the people can have the facility of making local calls on them. All coin boxes have been converted to operate with telephone tokens. Two telephone tokens costs Ps. 60. You can get the desired number by inserting two tokens (60 Ps.). Use of 10 Ps. coin is likely to make them inoperative and defective. If you are not able to get the contact, your money will fall down into the return cup, when you hang the receiver.

(d) Public Call Office.

The Department of Post and Telegraph provides telephones to all the post offices for the convenience of the public, who can make local calls on payment of 60 paisa per call. You pay 60 paisa and give the desired number which will be contacted and then the receiver given to you.

2. Trunk Call.

A conversation on telephone between two persons in two different cities is called a trunk call, which is made through the operator of a local telephone exchange such an operator is available on a particular number for helping in making such calls. He is to be given your name and telephone number as well as the name of the other city and the number desired. Special instructions are also given alongwith it e.g. of ordinary call or urgent call, and if it is for a particular person, his name too.

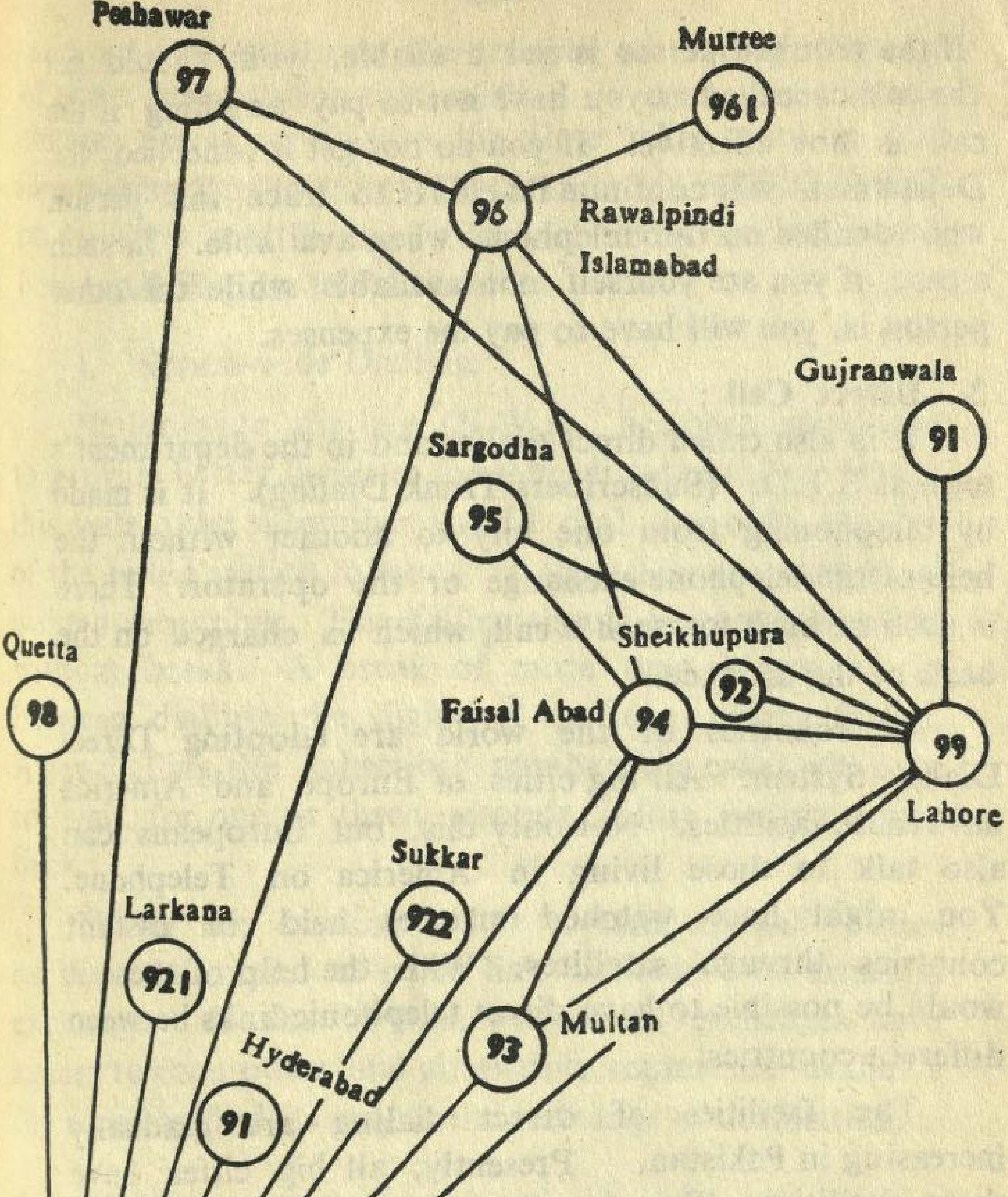
As all other work is stopped on account of a trunk call, you must be as brief as possible. You should rather prepare the message you wish to convey before making the call, so that you can do so immediately, at the moment you get the call and listen to the reply. A trunk call is of 3 minutes duration, and if you exceed this limit, you have to pay more fees.

Kinds of Trunk Calls :

The trunk calls are of two kinds namely, ordinary and urgent. The charges for an urgent call are double than those of an ordinary one. The trunk calls made on Fridays and holidays as well as between 5.30 a.m. to 7-30 a.m. and 8.30 p.m. to 11.00 p.m. on ordinary days are charged at half the normal rate. Similarly, the calls made between 8.30 p.m. to 7.30 a.m. are also charged at half the rate.

Personal Calls :

In such a call, a person is asked to come to the telephone. As in such a case, the person called has no telephone, and has to come from a distance so one has to wait. You should not be impatient at such moment as it is not within the power of the operator to bring the person to the telephone. In a personal call, if the person came and the conversation is completed, the call is said to be "effective", and you have to pay 25% more fee.


Peshawar
97
Murree
961
96
Rawalpindi
Islamabad
Gujranwala
91
Sargodha
95
Sheikhupura
92
Quetta
98
Faisal Abad
94
99
Lahore
Sukkar
922
Larkana
921
Hyderabad
91
93
Multan
90
Karachi

M A P
Facilities of Direct Dialling in Pakistan

If the required person is not available, you should get the call cancelled as you have not to pay anything if the call is not effective. If you do not get it cancelled, the Department will continue its efforts to trace the person who is called on the telephone when available. In such a case, if you are yourself not available while the other person is, you will have to pay the expenses.

3. Direct Call :

It is also called direct dialing and in the department's term as S.T.D. (Subscribers Trunk Dialing). It is made by telephoning from one city to another without the help of the telephone exchange or the operator. There is no time limit for such a call, which is charged on the basis of the distance.

All countries of the world are adopting Direct Dialing System. All big cities of Europe and America have these facilities. Not only this, but Europeans can also talk to those living in America on Telephone. You might have watched matches held in distant countries through satellites. With the help of these it would be possible to have direct telephonic links between different countries.

The facilities of direct dialing are gradually increasing in Pakistan, Presently, all big cities have these facilities. (See the map showing Direct Dailing facilities.) Further these, exchanges are being installed in more cities to provide these facilities, e.g. Sialkot Sahiwal, Bhawalpur, Dadu and Dera Ismail Khan. There is a special code number, which has to be dialed before the number desired is to be contacted. There is no time limit in direct dialing. One may talk as long as he wishes. The contact is immediate and one is saved from the trouble of waiting. In case of short conversation this method is economical as the charges are according to the time taken, and is just like talking face to face. The charges are reduced to half on holidays and Fridays. Similarly reduction is affected between 8-30 p.m. to 7-30 a.m.

4. Nation-wide Dialling.

Nation-wide dialling (N.W.D.) has been introduced to provide better facilities for long distance calls. Under this system the subscriber should dial the code number of the called station followed by the telephone number of wanted subscriber. The dialling should be continuous and without break. A break of more than six seconds in between dialling the digit will cause a disconnection. After dialling the subscriber number, the caller will have to wait for one to three seconds before getting a ring back.

Under the existing S.T.D system the call passes on the direct point to point link between two terminal exchanges. In the N.W.D. system all exchanges have access to each other and alternative routes are available for a call to find its way to the exchange of destination.

5. INTERNATIONAL CALLS

The International call means the telephonic conversation between two places of two different countries through the International Gateway Exchange.

An Electronic Switching or stored programme controlled system has been installed at Karachi. The system is called International Gateway Exchange. This exchange provides following types of International call facilities.

(i) International subscriber dialling (I.S.D.) Service.
(ii) Semi—Automatic service.

(i) International subscriber Dialling service (I. S. D.)

It is provided to those subscribers connected with local telephone exchange having Automatic number identification equipments which are at.

1. Faisalabad.
2. Islamabad.
3. Karachi.
4. Lahore.
5. Peshawar.
6. Quetta.

In order to have foreign telephonic conversation following procedure should be adopted.

Dial International Prefix (00) +CC (country code) +(Area code if any) and National significant number i.e. citycode + subscriber Number.

The time required for establishment of an International call after dialling the last digit of called number is called a Post Dialling Delay it ranges from 20 to 30 seconds depending upon the switching equipment of foreign countries, you will not hear any tone during this period unless circuit is busy. Busy tone will be heard accordingly in such case. The name and country codes of the destination for which I.S.D. service is available is given in the directory.

The I.G.E. will announce in case the I.S.D subscriber number is not received correctly. The International call can be booked by the respective booking services mentioned in the semi-automatic service.

(i) Semi-Automatic service.

This service is provided on delay basis, in which calls are booked with the booking operator. The following type of semi automatic services are provided :—

(i) Station to station.

In this case the operator will connect the desired telephone number without ensuring the specific called party.

(ii) Person to Person calls.

In this case, the operator connects the call only after the desired party is available.

(iii) Semi-automatic calls service is available to following type of subscribers.

(i) N.W.D. :—subscriber can book their international call by dialling 0102.

(ii) Non-N.W.D subscriber can book their calls to the inland trunk exchange.

(iii) Manual Exchange subscriber can book their call to respective manual exchange.

(iv) P.C.O. calls providing National trunk service are also authorised to handle International trunk booking. An International call can be booked in all the existing PCO's after advance payment of charges for required duration of calls.

6. Overseas Trunk Call :

The overseas Trunk Call or Inter-State Trunk Call means the telephonic conversation between two places of two different countries through the Exchange. In order to have telephonic conversation you have to book a call for which the local exchange has to be contacted. You have to get your name, address and telephone number registered as well as the address of the person to be contacted, his phone number, names of the exchange and the country and the language of conversation in case of one other than English. Such calls are accepted on preferential basis as compared to the inland calls. The duration of a call is three minutes, which can be extended. It is possible to fix the extra time before hand. All foreign telephonic contacts are established through Karachi Exchange. Such calls are also of urgent, ordinary or personal type or for the number itself. One can fix the time or times 24 hours in advance.

TELEX

Telex Service is also usually called teleprinter Service. It is also a means of communication like the telephone, in which a printed or typed message is received instead of a verbal one. This printed or typed messege is called Telex.

It is also of three types, namely, (i) Local Telex. (ii) Inland Telex and (iii) International Telex.

The teleprinter is also used like the telephone that every teleprinter has a special number and it can exchange messages with the other, either directly or through the Exchange. Every teleprinter is composed of three separate machines, one for transmitting message, the other for converting the message received into typed form, and the third, resembling a type-writer is used for transfering the message on a type, in the form of small holes which is in fact the telex message. This type then put on to the machine meant for sending message, the contact is tried with the other teleprinter, and when established, the machine runs. The message is automatically received on the other teleprinter in the printed form. Whether the office is open or closed, does not affect the reception of the message. No operator or Supervisor is needed to attend the machine for receiving the message, which is received completely in type form and can be kept for record. This is the most economical and the fastest means of sending printed messages. One does not need going to the post office or telegraph office or the P.I.A. office for sending a message and it is cheaper than the telephone and telegraph.

All big news-papers, banks, Government Offices, P.I.A and other private business concern prefer to send their messages through telex.

Telex Service facilities are available in all big cities. A special language (or Coded language) is usually used for telex, which cannot be understood by a lay man.

USE OF TELEPHONE DIRECTORY

The telephone Department provides the subscriber with a book containing all telephone numbers as well as rules and regulations pertaining to telephone and telegraph. The telephone numbers contained in this Directory are classified into three divisions: the first having private telephone numbers, alongwith the name and address of the subscriber, the second having numbers arranged according to the professions for the convenience of the professional, and the third containing official numbers arranged under different offices and private commercial organizations according to the designation and the rank. If some office or institution has provided domestic telephone facility to some of its employees, such telephones are also given under the name of that office or organization. All telephones are alphabetically arranged. If you do not remember the telephone number, you should find it out from the Directory. If there is some difficulty in finding out the required number, it can got from the local Telephone Exchange, by dialing a special number. The Telephone Directory must be kept near the telephone. This Directory is published by the Telephone Department every year and is given to the subscribers free of cost, but in case of its loss, one has to pay for another copy.

Every Directory contains some blank sheets, which can be used for writing down important Telephone numbers. It is troublesome to consult the Directory again and again, and it is also considered to be against the manners to ask the operator at the Telephone Exchange. It is therefore necessary to write down the numbers of your friends, relatives or organization you have to contact often.

You should keep the office telephone numbers of your family members so that you may contact them during the office hours. Similarly, you should write down the telephone numbers of those friends and relatives who are in other cities. If they have their domestic number its better to have them otherwise you should keep their office numbers with you.

In case of those relations who have no telephone of their own but there are telephones near their houses or places of work, you should also write the numbers of such telephones, so that you may seek their help in conveying your very important messages at the time of need.

The telephone number needed in emergency like those of nearest hospital, doctor, police station, fire brigade and other important numbers, should also be written. Some organizations set aside a special telephone for registration of complaints, for covenience of the public. You should also write such numbers of these organizations according to the needs of your city, e.g. Railways, P.I.A., Government Transport, Post Office for asking enquiries, and Electricity Department, Sui Gas and Water Supply organizations for getting your complaints registered.

QUESTIONS

1. **Write about benefits of the Telephone. If you wish to get a telephone installed at your house, what will you do ?**
2. **What is the difference between getting a permanent and a temporary telephone ?**
   What is the procedure adopted for shifting a telephone ?
3. **What do you understand by the phrase manners of using a telephone ?**
4. **It is our responsibility to listen to a telephone call. Why ?**
5. **What is meant by Direct call or Direct Dialing ? Describe the importance of Direct Dialing ?**
6. **What is meant by a Telex Service ? Describe the procedure adopted in sending a message through Telex Service ?**

CHAPTER VII

LICENCES AND TAXES

LICENCE

There are certain articles like arms, radio, Television, motor cars etc. which need government permission to keep them or use them. The order under which we are allowed to keep or use these articles is called a *Licence.* To get a licence, we have to pay a fixed amount of money quarterly, half-yearly or annually. This money to be thus paid is known as the licence fee. If a person keeps or uses such an article without licence, he has to pay a huge amount of money as a fine.

LICENCE FOR ARMS AND AMMUNITIONS

Every adult citizen of the state can have some kind of arms in his possession for the defence of his life and property. As every person does not need the use of arms, licences for them are not issued to every one. These licences are issued for set purposes and objectives. As the use of arms is allowed only under unavoidable circumstances, the person desirous to have it or applying for it, has to clearly mention these circumstances to convince the officer authorized to issue the licence of its necessity. It is essential to make enquires about the character of the applicant, through the police in order to make sure that he will not misuse the arms allowed to be possessed.

The licence for keeping arms is issued by the government after getting complete information about the applicant and a thorough investigation about his character.

While giving such a licence, the financial conditions of the applicant, his character, his reputation in the society and his needs are taken into consideration. The officer authorized to grant such licence has the right to reject any application without assigning any reason. The Government cancel licences for arms by its orders at any time.

It is necessary to purchase the arms for which the licence has been issued within three months from the date of the issue, otherwise, the licence stands cancelled. No one is allowed to buy or keep arms without obtaining a proper licence, keeping arms without a proper licence is punishable under law. This licence is valid only for which it has been issued and cannot be used for keeping another kind of arms, nor can that arms be kept by a person other than the licence-holder. It is also essential to buy ammunition for the arms permitted to kept for self-defence. Only a limited number of bullets or cartridges for specified quantity is allowed to be purchased which should be entered in the licence book.

The licences for arms issued by the government are of two kinds, general and special. The annual fee for general licence are as given below.

Revolver or Pistol	60.00	valid for country
Gun	50.00	
Rifle	75.00	

A special licence is a privilege granted by the government to a person of political or otherwise extraordinary importance. Such a licence is issued under a special order of the heads of the Provincial Governments.

The annual fee for such a licence is according to the following rates :—

Revolver or Pistol——————Rs. 150.00
(Forbidden bore)
Rifle (303)————————-Rs. 200.00
Sten-Gun————————Rs. 350.00

All licences for arms are issued for a year and have to be renewed after the expiry of the time and they are subject to change. For every next year the month of January is considered to be the grace period. In case a licence is not renewed during the grace period, a fine upto four-times the fee in addition to the fee itself can be imposed. The licence itself can also be cancelled in such a case. It is also essential that the licence is always kept with the arms so that it can be shown if the need arises.

RADIO LICENCE

Almost every house-hold possesses a radio set as it is now considered to be as essential article of daily life. The government of Pakistan has provided the facility to the people to get a licence for radio or transistor set by depositing the required fee with the nearest post office. The licences are issued every year and are valid from July to June 30 next year, which period is also known as the financial year. In order to get new licence, one has to fill in an application form which is available at every post office free of cost. The expired licence and the fee for a fresh one have to be deposited with this application. Radio Licences, are issued immediately and one does not have to wait.

The fee for different kinds of radio sets is charged according to the following schedule :—

Sr. No.	Kind of Radio Set and the purpose for which used.	Annual Fee
1.	Domestic Radio Set (one)	Rs. 20.00
2.	Radio and Transistor Set (Separate)	Rs. 20.00
3.	For Clubs, College Hostels, Hospital (separate)	Rs. 20.00
4.	More than one Set in the same House	Rs. 30.00
5.	Radio Set installed in a private car or Jeep	Rs. 30.00
6.	Radio sets used for Commercial Purposes	Rs. 75.00

Licences for all types of radio-sets mentioned are issued for one year and they are subject to change next year. If a set is bought during the year then the fee charged is proportionate according to the period remaining till the end of June 30. In this case, the photo-stat copy of the receipt for the purchase of the set has to be given with the application. The licence must be obtained within a period of one week from the purchase of the set otherwise a surcharge will have to be paid alongwith the normal fee. The licence fee for radio-set purchased during the year is charged according to the following schedule.

Period of Purchase	Type of Radio 1, 2, 3,	Type of Radio 4, 5,	Type of Radio 6
1. Between 1st July to 30th September.	Rs. 20.00	Rs. 30.00	Rs. 75.00
2. Between 1st October to 31st December.	Rs. 15.00	Rs. 22.00	Rs. 66.00
3. Between 1st January, to 31st March.	Rs. 10.00	Rs. 15.00	Rs. 33.50
4. Between 1st April to 30th June.	Rs. 5.00	Rs. 7.50	Rs. 18.00

The validity of every kind of Radio Licence expires on June 30. But keeping in view the convenience of the General Public the month of July is declared as the period of grace for obtaining a new licence. If some one has sold his radio-set during the course of the year or has changed his residence, he should inform the post office concerned. In case the licence is lost a new licence in lieu of lost can be obtained on payment of Rs. 2.00. Such a licence is called a "Duplicate Licence." In case of not getting the licence in time, a surcharge of Rs. 20.00 per month is levied. In case of keeping a radio-set without any licence, a fine of Rs. 500.00 is charged in addition to the licence fee with surcharge for the previous years.

TEVEVISION LICENCE

Television, also known as T.V., is a developed form of the radio. In radio, voice alone is heard, whereas in television, the picture of the person speaking is also presented. The television programmes are more popular and effective as compared to radio.

The television-sets are of two kinds, namely, black-white, and coloured.

In Pakistan, there are telecasting stations at Lahore, Islamabad, Rawalpindi, Karachi, Quetta and Peshawar. Many Booster stations have been set up with a view to extending the range of reception of the programmes telecasted from these stations. Presently, about 90% of Pakistan's Population can watch the programmes of any one of these stations.

Pakistan Television programmes are presented by a quasi-official organization called the Pakistan Television Corporation. Regular licence is necessary for keeping and using a television set. All branches of the United Bank Limited are authorized to issue this licence. It can therefore be got from any branch of this bank.

A television licence is normly issued for a complete year but its rate is subject to change next year. Keeping in view the convenience of the public, it can be obtained on quarterly basis. The duration of the Television Licence is from January 1 to December 31. The duration of the quarterly licences are from January 1—March 31, April 1—June 30, July 1—September 30 and October 1—December 31. Before the expiry of the period of the validity of the licence, a notice is issued by T.V. Corporation. One can get a new licence from any branch of the United Bank on producing this notice or the old licence. One month of grace period is allowed on the expiry of the period of validity of the licence, during which you can get your licence without paying any surcharge, but after this period of grace, a monthly, surcharge is levied in addition to the licence fee.

The rates for the television licence fee are as given below :—

Kinds of purpose	Annual	Quarterly Fee
1. T. V. Set used in houses, hospitals, colleges, clubs.	Rs. 200.00	Rs. 30/-
2. T. V. Set used for commercial purposes.	Rs. 400.00	Rs. 150/-

If the licence is obtained after the grace period a surcharge is to be paid in addition to the normal fee. In case of a T.V. Set used for domestic purposes this surcharge is Rs. 20.00 per month and for commercial purposes Rs. 40.00 per month.

On the purchase of a new set, the fee charged is according to the quarter in which it is purchased. For instance, a T. V. Set purchased between January 1 and March 31, the licence issued will be either for the whole year or for that quarter, and then a new licence for each quarter. T.V. licence are not issued for six months or nine months.

In case of losing a T.V. licence, a duplicate licence can be obtained on payment of Rs. 5.00.

LICENCE FOR BIRDS AND ANIMALS

Licences are to be obtained for keeping certain birds and animals in the house. All the animals or birds kept in the house for decorative purposes, for hunting or for some other purpose need a licence which is issued by the Games Department of the Governments. It is an offence to keep such animals and bird in the houses without licence. The licences for such birds and animals are of a year's duration which is from July 1—June 30. No grace period is allowed for renewal of these licences, which must be renewed before the expiry of their validity, otherwise the fee to be paid is doubled. These licences are also subject to change next year.

The birds and animals, for which keeping a licence is essential are given in the following table alongwith the rates of fee :—

Name of Animal or Bird	Annual Fee
1. Black or Brown Patridge Red-legged Patridges.	Rs. 10.00
2. Deer or various wild cow, Nilgaye.	completely banned
3. All wild animals e.g. Lion, leapord, Bear, Monkey.	Rs. 50.00
4. Game Dog.	Rs. 20.00
5. Eagle.	Rs. 200.00
6. Falcon or hank.	Rs. 2000.00

The games Department also issue licences for hunting with a gun or rifle (which is called "The General Shooting Licence") which is of a year's duration from January 1—December 31. This is in addition to the Arms Licence and its annual fee is Rs. 50/-

The games Department also issues special permits to hunt and catch certain animals and birds, in specified areas and for specified period of time.

Automobile Driving Licences.

A licence is required to drive any kind of vehicle driven by petrol or diesal. In fact, a driving licence is a permission given by the government to drive a vehicle. A licence-holder is legally considered to be an expert in driving. In addition to this, a driver is supposed to be well-acquainted with the traffic rules and regulations and the manners of driving a vehicle on the road so that by following the traffic regulations, he should not only ensure the safety of his own life and vehicle but also those of others.

In case of all kinds of vehicles, one has to get a temporary or Learner's Driving Licence before obtainting a permanent one. The Learner's Licence can only be used while learning how to drive a vehicle. The persons desirous of getting a temporary driving licence have to submit alongwith their applications medical certificates testifying their fitness to drive a vehicle. Any person having a weak eye-sight or colour blindness is not fit to obtain such a licence. Similarly, the persons having any deformity in their arms and legs, or having a weak nervous system or any heart trouble are not given this licence.

The duration of a temporary driving licence is usually of six months which may be extended. A person having received such a licence is authorized to drive a vehicle. But he should take his vehicle for driving in such roads as may have comparatively thin traffic. He should also get a red-sign 'L' (for learner) written on the number-plate so that other drivers may know that the person in the particular vehicle is only a trainee and not an expert.

When a person is supposed to have finished his training and acquired sufficient skill in driving he can apply for a permanent licence. In order to obtain a permanent licence, one has to take a regular examination. After passing this examination he may be given a permanent licence. In this licence, a mention is made about the kinds of vehicles the licencee is allowed to drive. If you pass an examination for driving more than one kind of vehicles, all of them are mentioned in the same licence for which no extra fee is to be paid›

Driving Licence are of two kinds namely, 1. Private Driving Licence and 2. Professional Driving Licence. Private licences are for driving motor cycles, scooters, auto-cycles, private cars, jeeps, mini-wagons etc. While professional licences are for paid drivers of cars, taxis, rickshaws, passenger wagons, buses and trucks. On such licences a photograph of the driver is affixed to it, but a private licence does not need such a photograph.

The licences are classified on the basis of the weight of the vehicles. Motor cycles, Scooters, Taxis, rickshaws, Wagon are called Light vehicles, which need Light Driving Licences. Other vehicles e.g. trucks, buses, oil-tankers, tractors. trailors, etc. are known as heavy vehicles which need a Heavy Driving Licence.

The licence fee for driving all kinds of vehicles is Rs. 10/- per year but it is also subject to change every year. The first fee has to be deposited with the traffic Police at the time of submiting the application for the driving licence. The licence is got registered with any post office. The annual fee for the renewal of a driving licence is Rs. 20/- which is paid in the form of a special stamp affixed on the driving licence and got recorded in at the post office. The duration of a licence is one year from the date of issue. There is no period of grace for its renewal. If a licence is not renewed in time, it may be done later on payment of double the fee. If a licence is not renewed for three years it may be cancelled.

It is an offence to use a licence issued in the name of some other person or to drive a vehicle which is not mentioned in the licence. Similarly, the licence issued for private vehicles, cannot be used as a professional licence. To drive a vehicle without a licence is an offence under the Traffic Laws.

QUESTIONS.

1. **What do you mean by a licence ? Are all licences of the same type ? Explain fully.**
2. **Describe the procedure for getting an Arms Licence ?**
3. **How many kinds of Arms Licences there are ? Write about the annual fee for every kind ?**
4. **Describe the procedure for obtaining a Radio Licence ?**
5. **Tell how much fee one has to pay in the following cases and circumstances :—**
   - **(a) for two radio sets working on electricity for one year.**
   - **(b) Licence fee for a radio set used in an hotel.**

(c) fee for two transistors sets in the same house.

(d) for a Radio-set purchased on January 20.

(e) a radio-set installed in a car on August 20.

6. Describe the procedure for getting a T.V. Licence ?

7. What kinds of animals, birds are forbidden to be kept ? What is the procedure for the payment of licence fee for keeping such animals and birds ?

8. Discuss the driving licence on the basis of their kinds ?

9. Discuss the procedure for getting a driving licence ?

0. Write down the names of licencing authorites. What procedure is prescribed by every authority for the renewal of the licences ?

Taxes.

You know that the government of Pakistan under takes a lot of work for our welfare. It provides safety to us by maintaining law and order in the country.

It establishes schools and college for our education. It sets up new hospitals every now and then. It makes roads and equips the forces with the most modern weapons in order to defend the country against any foreign aggression. And millions of rupees are spent on all these projects.

Can you tell as to where from the goverment gets this money ? Government gets this money from us in different ways to spend on our welfare. The money which is collected by the government from the people for spending on their walfare is known as Taxes.

As the Central Government has handed a number of matters to the Provincial Government, District Councils, Muncipal Committee and Town Committees for sake of convenience, we have to pay a number of taxes directly to the Provincial Government and these bodies. Taxes are of numerous kinds. But there is one thing common in all of them and that is about to fulfil the requirements of justice.

(a) Only that much tax should be levied on a person which he can pay and

(b) Taxes are imposed in such proportion that he who benefits more from government's welfare work, pays more tax.

Taxes are of various kinds but we shall give details of only those taxes which a person having a house-hold has to pay.

There are two ways by which the Government adopts to collect taxes from the people to meet the expenses. One method is called Direct Taxation and the other as Indirect Taxation. These taxes are further divided into three kinds on the basis of their rates namely.

1. Progressive Tax.
2. Proportional Tax.
3. Fixed Rate Tax.

Let us have some more details about them so that we are in a better position to distinguish between different kinds of taxes.

In sofar as the method of collection is concerned, they are two as under :—

1. **Direct Taxes :**

It is a tax which is collected from a person in such a way that he has himself to pay it and bears it. This tax is not imposed upon any other person, e g. Income Tax, Property Tax, Professional Tax etc.,

2. **Indirect Tax :**

It is a tax which the Government collects from a person who does not pay it from his own pocket but gets it from other's later on, which means that the tax is borne by some one else. For instance, Sales Tax, Custom Duty, Exise Duty etc. When such taxes are collected from a merchant or a mill-owner he includes these taxes in the prices, which the customers pay at the time of buying. But the buyer does not feel that he is paying tax in addition to the price.

Taxes can be divided into following kinds on the basis of their rates.

1. Progressive Tax :

If the rate of tax increases with an increase in income, it is called a progressive tax. For instance, let us suppose that a person's income is Rs. 500/- the tax levied is 5% but if the income becomes Rs. 10,000/- per year the rate of tax becomes 10%. The increased rate of tax is introduced with the increase in the income. Such a tax is known as Progressive tax.

2. Proportional Tax :

If the tax is imposed at the same rate whether the income is less or more, the tax is called proportional. For instance, a person's annual income is Rs. 5,000/- while another is Rs. 10,000/- but the rate of tax in both the cases remains 5%.

3. Fixed Rate Tax :

When the tax is collected in such a way that neither the income is kept in view nor is the value taken into consideration, but it is fixed e.g. Rs. 10/- per year or Rs. 5/- daily.

The taxes which the Government collects from the people include the following important kinds which every conscientious citizen must be aware of so that he does not face any problem or suffer on account of misunderstanding at the time of their payment. These are as given below :—

Income Tax :

By income, we mean any amount of money received during a given period by way of salary, wages, profit, rent, interest etc., through mental or physical labour, property, or capital i.e. shares in companies or securites. All such receipts may be called income of a person. The concept of income cannot be presented without taking into consideration a given period of time. An income may be daily, weekly, monthly, and annual.

All those persons living in Pakistan whose annual income from various sources exceeds the limit of Rs. 12,000 per year are taxed. All incomes are known as determining taxable incomes. The period taxable income is a fiscal year which is from July Ist to June 30 next year. This will include whatever is received or what is to be received.

Those who pay income tax belong to the following classes.

(i) All employees who have their incomes through salaries or wages.

(ii) Professional people whose incomes are divided through fees and services e.g. doctors, lawyers, engineers, architects, accountants etc.

(iii) Business-men whose incomes are in the form of profits e.g. industrialists, transporters, shopkeepers, merchants, agents, etc.

(iv) Investors who do their business by purchasing shares in companies and securities and get their income through profit or interest ;

(v) property-holders who get their incomes in the form of rent or leases-money for their houses, bungalows, shops etc.

As the incomes of the above mentioned classes of people are derived from different sources, the method of assessing taxable income are as given below :—

(i) In case of employees their income includes their salaries, wages, overtime wages, commission, bonus etc.; received during a year.

(ii) In case of professional people, the amounts received by them as fees, after deducting necessary expenses e.g. rent, telephone, electricity and water dues, and other similar expenses.

(iii) As business people maintain their accounts, their taxable income is assessed on the basis of their annual profit, and if a business man does not maintain regular accounts, the Income tax inspector is authorized to assess the tax, keeping in consideration the place of business, the kind of business and the goods stocked.

(iv) In case of investors, their income is the interest or the profit which they get from various sources, except that investment for which the government gives tax rebate e.g. N.I.T. Units, Defence Saving Certificates, I.P. Mutual Certificates etc.

(v) If the rent from the property exceeds Rs. 12,000/- per year or Rs. 60,000/- per year but which when added to income from other sources total Rs. 12000/- or more, then this income is also taxable.

Rate of Tax on Taxable Income :

The Income Tax is a direct tax which means that the person himself is responsible for its payment and has to bear its burden. It cannot be transferred to any other person. Furthermore, it is a progressive tax, that is, in case of low income, either there is no tax or its rate is low. With the increase in income, its rate also increases. The government announce its tax policy in the month of June every year while presenting the annual budget.

Similarly, other allowances like personal allowances, earned income relief and children allowances are also given. By substracting all these rebates we get 'taxable income on which the income-tax is levied according to prescribed rates. The schedule of income tax rates on annual taxable income (for any financial year) is given below.

No.	Taxable income	Income Tax
1.	Upto Rs. 9000	Rs. 120.
2.	More than Rs. 9000 and upto Rs. 19000	Rs. 120 + 15%of the excess of Rs. 9000.
3.	More than Rs. 19001 and upto Rs. 24000	Rs. 1620 + 20 % of excess of Rs. 19000.
4.	More than Rs. 24001 and upto Rs. 29000	Rs. 2640 + 25 % of excess of Rs. 24000.

5.	More than Rs. 29001 and upto Rs. 34000	Rs. 3870 + 35 % of excess of Rs. 29000.
6.	More than Rs. 34001 and upto Rs. 39000	Rs. 5620 + 40 % of excess of Rs. 34000.
7.	More than Rs. 39001 and upto Rs. 69000	Rs. 7620 + 50 % of excess of Rs. 39000.
8.	More than Rs. 69001 and upto Rs. 109000	Rs. 22620 + 5 % of excess of Rs. 6900
9.	More than 109001	Rs. 44620 + 60 % of excess of Rs. 10900.

Every person can invest upto 30% of his total income with a maximum limit of Rs. 35000.

$$\text{Tax rebate on investment} = \frac{\text{Total Tax}}{\text{Total income}} \times \text{investment.}$$

Payable tax = Total tax—rebate on investment.

If taxable income is more than Rs. 5000 then 10% surcharge of income tax will be payable.

Example 1 :

Gulshan Ara's father is a government officer. His monthly salary is Rs. 1,600/-, he receives Rs. 5970 from other sources. Her father pays Rs. 750/- per year as insurance premium and deposits Rs. 175/- every month towards G.P. Fund and purchased Defence Saving Certificates for Rs. 500/- Rs. 210 have been deducted from his account as zakat.

Solution.

Monthly salary = 1600
Annual salary = $1600 \times 12 = 19200$ Rs.
Income from other sources = 5970

Total income = 25170
Zakat = 210

Total income = 24960
Personal allowance = 12000

Total income = 12960
Income tax on Rs. 9000 = Rs. 120

Tax on remaining Rs. 3960 = $\frac{3960 \times 150}{10}$ = Rs. 594 + 120
= 714

$$\text{Investment} \begin{cases} \text{Insurance premium} & = \text{Rs. } 750 \\ \text{G. P. Fund } 175 \times 12 & = \text{Rs. } 2100 \\ \text{Defence saving certificate} & = \text{Rs. } 3000 \end{cases}$$

Rs. 5880

Investment rebate = $\frac{714}{24960} \times 5850$ = Rs. 167 (approx

Total tax payable = 714 − 167 = Rs. 547

GOODS AND SALES TAX

The taxes imposed upon goods are Excise Duty and Custom Duty. The Excise Duty is imposed upon finished products manufactured in the mills and factories within the country, while the custom Duty is the tax imposed on imports and exports. Besides, tax is levied on the sale of certain articles. This tax is known as sales Tax.

All these taxes taken together are classified as Sales Taxes. These taxes are usually collected from the following classes of people.

(a) From the importers of imported goods ;
(b) From the industrialists on finished products ;
(c) From the whole-sale dealers on the sale of their articles.

This tax is included in the prices of the goods, which means that it is charged from the customers or consumers. It is also called indirect tax, which is paid by the industrialists, merchants and whole-salers and is later on included in the prices and collected from the buyers. This tax is imposed upon articles like cloth, soap, vegetable ghee, tobacco, cigarettes, beverages, electric fans, paints, sugar etc.,

The importers are of two kinds. For one, the government issues licences. These goods have to be imported for daily use e.g. Chemicals, Cast Iron, Tea, beatle-nuts, machinery, spare parts, medicines etc. The custom duty or the tax received on the import of such articles is called Sales Tax.

But there are goods imported or brought into the country by the people living abroad for which the government charges heavy duty. These goods are called luxury articles for which both the goods tax and sales tax, known together as the custom Duty, are charged. Such articles are Cars, refrigerators, radio-sets, motor cycles, scooters, air conditioners, electrical goods, tape-recorders, cameras, cosmetics etc., The Sales tax may not be charged on a few articles of personal use e.g. radio-sets, tape-recorders, T.V. sets etc. but the goods tax has still to be paid.

PROPERTY TAX

If the urban immovable property of a person e.g. house, bungalow, factory, shop or workshop is such as may fetch or actually fetches rent beyond a certain limit, the government Department of Excise and Taxation receives tax on such property. It is called property Tax.

The property Tax is assessed after every five years on the basis of door-to-door survey, in which the nature of its use, number of rooms, general condition, locality, etc., are taken into consideration.

There are two cases of taxation. In one case, the owner himself is living or doing business in the property. And in the other the property has been leased out. In the first, the assessment is made on the basis of the rent received from the property while in the other on the basis of the rent actually received.

No tax is levied on the property having an annual rental value of less than Rs. 540/-. But in case the owner is an invalid person, an orphan, a widow etc., the property is exempted from the tax upto a rental value of Rs. 1,000/- per year.

While assessing the property tax, two kinds of rebates are allowed. One is called the property allowance which is fixed at Rs. 270/- for any kind of property. The other is called the Repair and maintenance allowance which is 10% of the total rent. Both these amounts are deducted from the annual rent and the remainder is taxable at the rate of 20%.

We now give a few examples to explain the method of assessing the property Tax.

MOTOR VEHICLES TAX

The owners of all such vehicles as use the road have to pay tax for using the roads. It is known as the Road Tax or token Tax. It is received by the Provincial Excise and Taxation Department. On the purchase of every new vehicle, the owner has to apply for getting a particular number for the vehicle, on which Rs. 10/, Rs. 30/- and Rs. 60 are charged for motor cycle Scooter, Motor Car, Jeep, Wagon, Bus and Truck. On the allotment of a number for the vehicle, the owner is given a book, known as Registration Book.

On all vehicles registered with the Provincial Governments, the owners have to pay token tax every three months. The owner may pay this tax for the whole year at one time but no discount is allowed for it.

All post offices have arrangements for receiving this tax for light vehicles e.g. motor cycle, scooter, Car, Jeep, Taxi, Wagon, Rickshaw etc., The Token Tax is paid in the form of special stamps which are posted in the Registration Book, and got recorded and posted in the post office, on which the post office issues a token for that quarter.

The token Tax for buses, truck, oil tankers, and tractor-trollies is directly deposited in the Government Treasury or the State Bank, the receipt for which is shown to the District Excise Office in order to get the token.

The Token tax for trucks, oil tankers, mini-trucks, and tractor-trollies is paid according to their load-carrying capacity. The payment of tax before the end of the quarter is essential for getting the token.

There is no grace period allowed for token Tax. If the token fee for the next quarter is not paid before the end of the preceeding one, one has to pay double the fee. Every fiscal year has been divided into four quarters for the purposes of Token Tax, namely, July 1 to September 30, October 1 to December 31, January 1 to March 31 and April 1 to June 30. For these quarters Tokens number 1, 2, 3, and 4 are issued respectively.

The Token Tax for such vehicles as may have been purchased during a particular quarter is charged for the remaining period of the same quarter i.e. full fee in case of the first month of the quarter, two-thirds in case of the second month and one-thirds in case of the third month.

PROFESSIONAL TAX

The tax is also collected by the Excise and taxation Departments of the provincial Governments. It is a Direct tax and is also known as the Fixed Rate Tax.

The rate of this tax is equally fixed for all, and is not linked to low or high income. In fact it is imposed upon business, specialized jobs, professions and posts. The annual rate of this tax is only Rs. 30/- and is received from the following classes of people :

(i) All persons who pay income tax, meaning that it is compulsory to pay it in addition to the income tax.

(ii) All approved Contractors of the Government Departments even if their incomes are not taxable.

(iii) Agents dealing with imports and export, who are known as the Clearing and forwarding Agents.;

(iv) All share-holders of an incorporated business.

(v) All persons belonging to profession like doctors, engineers, lawyers, accountants etc.

WATER TAX

This tax is collected from the dwellers in the cities by the municipal committees and corporations. It is the responsibility of the municipal committees and corporations to supply pure drinking water to the citizens, and in return have the right to charge from them a small amount as water tax or water rate.

The water tax or water rate is also assessed like the property tax on the basis of rent in case of residential houses. It has to be paid after every three months.

No extra fee is charged for having two taps in the same house, but advance sanction is necessary to have more than two taps. If two families are living in two different parts of the same house, this tax will have to be paid separately. Use of water for building purposes is forbidden.

Similarly it is illegal to supply water to a neighbouring house or a shop. The responsibility for which is upon the consumer who has to bear the cost of illegal use of water.

QUESTIONS

1. **What is meant by a Tax ?**
   Why does the government collect taxes from the people ?
2. **Describe different kinds of taxation ?**
3. **What is meant by the income tax ? Who has to pay it ?**
4. **What methods are used to assess the taxable income ?**
5. **Describe the allowances and rebates allowed in connection with the assessment of the Income Tax ?**

6. Explain the goods Tax and sales Tax ?
7. How is the Property Tax assessed ?
8. Why a tax is imposed on motor vehicles ?
9. What is meant by the professional Tax. From whom this tax is received ?
10. What is the water Tax or water supply Tax ?
    How is the rate of water Tax determined ?
    Find out the water Tax in the following cases :—
    - (a) (*i*) Annual rent of the house = Rs. 560/-
        - (*ii*) Two taps of ½″ diameter.
    - (b) (*i*) Annual rent of the house is Rs. 720/-
        - (*ii*) Four taps of ¼″ diameter.
    - (c) (*i*) Annual rent of the house = Rs. 2000/-
        - (*ii*) Three taps of ½″ diameter.

CHAPTER VIII

SALESMANSHIP

A housewife purchases a number of articles in her daily life. During these purchases, she always faces the problem of what to buy, where to buy and how much to buy. Every house-wife wishes to get the best return for the money she spends. Similarly, an employer or a proprietor of some business faces similar problems. He is worried about what to sell how to sell, where to sell and how much to sell so that the capital invested by him for profit remains safe and profitable for him. It is this need of a business-man which gives rise to salesmanship.

Selling goods has become a very developed and complex process in the present age. Whereas the industrialists and merchants have to face problems relating to the purchase of goods, supervision of the business, payment of salaries and wages of the employees and workers, the sale of goods assumes more importance than their production.

The sale of goods and their disposal in full is an indication of the success in business. It is not a good omen for a business if the process of sale stops or becomes slow. It instead indicates the danger of a complete failure of business. It is because the business-man or the industrialist cannot continue procurement or production of goods until their total sale and consumption does not become possible. No industrialist or businessman produces or buys goods to stock them in the godowns or to arrange them in the shop as decoration and then wait for their sale automatically. Finding out different ways and means for the sale of goods and managing them is also their responsibility.

In small scale business, the proprietor himself undertakes the work of salesmanship. The services of a few employees are also acquired if any need arises. The decisions relating to the sales are however taken by the proprietors. But in case of big business, the proprietor alone cannot cope with the complex process of sales. Furthermore the business limits have crossed the local or regional borders and have assumed an international character, which has rendered the salesmanship as a regular art. It is on this account and through this art that the goods are produced in one place and their sale is done at another.

The need for this art of salesmanship and its importance to a big industrialist or a merchant is for the following reasons :—

(i) The presence of a great number of dealers in the same goods ;

(ii) the presence of huge stocks of similar goods for sale ;

(iii) the availability of a number of alternatives to a single need, and

(iv) exercise of choice by the buyer or the consumer.

Every one of us knows how difficult it is to find out the exact number of dealers in the same field. But we do know that every business is not of the same extent. All the dealers in the same field desire to excel others in respect of sales, and use different means to promote the sale of their own goods. And then, new business firms continue joining them. Every new firms joins the field with new ideas and inventions, and the old firms cannot help being affected by them.

The customers or the consumers have a tendency to welcome any thing new and novel. This change in the attitudes of the buyers or the consumers affects the sale of goods lying with the old firms. The lagging interest of the people in any particular product effects a decrease in the sales of a given firm.

The introduction of new products in the market creates a problem of choice for the consumer or the buyer and at the same time becomes a source of worries for other businessmen and industrialists. This situation makes it imperative to find out new means and methods of selling goods so that a businessman may keep up his sales in competition with others and to try further promotions.

A businessman has to know a number of factors in order to continue the process of production and sales, e.g. the position of goods in the market, consumer tendencies, different ways and means of sales promotion, a study of different means of sales incentives etc. To adopt a suitable course of action after taking all these factors into consideration needs a lot of care. Under such circumstances, the services of experts in the art of salesmanship are of immense importance.

The persons involved in the process of sales know all the technical aspects of it. They promote the sales by using different methods in different situation. They continue their efforts to attract new customers and to keep the old ones attracted by using new ideas and experiments in salesmanship and by a study of the psychology of customers. Every business concern acquires the services of such experts according to the needs, the kind and the extent of their business. These experts help to ensure the success of the business by virtue of their behaviour, extra ordinary intelligence, vast study and information and their inherent potentials and capabilities. They act as a liaison between the producer and the consumer. A majority of such people are paid employees. Their services are of immense importance to run the business on right lines. The services of these people are differently named in the field of salesmanship, which we hear a number of times every day. They are called salesman, sales boy, sales girl, sales agent, travelling agent, sales promoter, order-getting salesman, order-taking salesman etc. One characteristic is however common in all kinds of these sales-experts, which is that they personally meet the customer and make the sale possible. While they work for their business, they also offer services to the customers, because it is their prime duty to win the confidence of the customer, provide necessary information to him, and remove his doubts.

QUALITIES OF A GOOD SALESMAN

As we have already said salesmanship has become a regular art. The success or failure of any business depends upon good or bad qualities of the salesman. A good salesman considers three points as having great importance. Firstly, to work for the interest of the company or the business he is employed in. Secondly, to work for the best interests of the customers or consumers so that he should be considered dependable and honest. 3. Thirdly, to safeguard his own interest and keep up the confidence of both i.e. his company and the consumers.

It is imperative for a good salesman to feel his duties and responsibilities and help ensure the success of the business, utilizing the perfect skill in the salesmanship, his past experiences, personal information and intelligence.

A good salesman needs skill in his work as well as personal qualities. His own personality, suitable attitude in different circumstances, his ability to judge the customers and to remove their doubts, all help him to become a good salesman.

A salesman, who is considered to be an expert in his art, experienced and very intelligent, does not deserve to be called a successful or a good salesman unless he makes it his principle to consider what he can do for the customer and prospective buyers. Furthermore, he should rise above at sentiment and recognize salesmanship as a service to the consumers. The salesmanship is neither a game in which a win is considered as success nor is it a trap to bring in customers and buyers. Instead it is to draw the attention of a prospective buyer to a particular article, to support and appreciate his choice, and to give him advice without any attempt to sell unless the customer is not convinced and willing to buy. A good salesman likes to sell for the benefit of the customers.

The real situation in sale-purchase process is that ideas given and taken precedes the sale of articles and the payment of prices. A customer does not buy articles but actually satisfaction and peace of mind. It is the expert ability of a salesman to create an urge to buy in the heart of a prospective customer.

An intelligent salesman well understands that a customer, before buying an article wants to be sure that he is not making a mistake in buying. Whenever a customer desires to get information from the salesman it means that he considers the personality of the salesman as dependable and wants to take a decision in the light of his opinion. Under these circumstances, it is the duty of a salesman to convince the customer through his talk and expression of his opinion that any purchase made according to his advice will give satisfaction to the customer. For instance, a customer wants to buy an electric bulb. If such a customer seeks an advice from the salesman the later should give his opinion about the merits and demirts of every company because whatever discussion the customer makes, he will be satisfied. This satisfaction to the customer results from the dependable personality of a good salesman.

The success of a salesman depends upon the presence or absence of the personal qualities of a good salesman. The most important of these qualities are as given below :—

(i) He should have the capability of making the sale of articles possible.

(ii) He should be a man of integrity that is he should not give a wrong advice to the customer for his own personal interest ;

(iii) He should be mentally satisfied with his profession and the work of a salesman ;

(iv) He should be an expert in his work ;

(v) He should be alert intellectually and should have vast information.

(vi) He should try to do his duties and fulfil his responsibilities under all the circumstances.

(vii) He should undertake new experiments in selling things by making use of his inherent. abilities and intelligence.

(viii) He should keep himself fully aware of the conditions and try to adjust himself according to the situation and the nature of the job.

(ix) No one should doubt his honesty and dependability.

(x) He should try to work hard by keeping before him the motto of the respect of labour.

(xi) He should be able to introduce others to respect and should always wish to look upon others with respect.

(xii) He should consider the salesmanship as the best means of serving others.

These qualities are most essential for a good and successful salesman, the absence of even one of these qualities does not entitled him to be called a good salesman.

PERSONALITY OF A GOOD SALESMAN

It is not sufficient for a good salesman to have information about the articles and goods, to obey the orders of the company and not to give any indication of disobedience, to have the merit of being able to work for hours at a stretch and to be an expert in all the knowledge of salesmanship ; he must as well have the peculiar personality of a salesman.

Personality is a word with very vast range of meaning. It is neither the physical beauty of a man or a woman, a boy or a girl, nor is it his or her popularity. But instead it means the manner in which a person presents himself to other so that they are able to form good or bad opinion about him. It does not mean the opinion of a single individual but it rather refer to the collective opinion of a large number of people. It is this collective opinion of the people which effects the work of a salesman.

The good or bad opinion of the people is the result of their thinking which forms after they meet the salesman. The good opinion means that quality which helps promote the sales as much as possible. A successful salesman is in fact like a successful drama artist. As on a stage, a good drama artist imitates some character to the extent of appearing as real and thus wins an applause from the spectators, a successful salesman, in a similar fashion, gives an artistic performance on the stage of salesmanship and thus makes the sale successful. The characteristics which he must show on this stage are his manners, his behaviour, way of talking, dress, personal cleanliness, and choice of a suitable method of action etc. All these characteristics are acquired after experience and with a vast store of information.

Any man's personality has two aspect. One is his apparent personality which we can see with our eyes. The other is hidden one which is experienced through meeting, conversation and mutual inter-action. A salesman must have both these aspects.

APPARENT PERSONALITY OF A SALESMAN

The first good or bad impression a customer or would-be buyer forms about a salesman on meeting him is based upon later's apparent personality. A salesman must have the following characteristics in order to get a good impression of the people meeting him :—

(i) **Dress :**

The dress is the most important constituent of one's apparent personality. It is not necessary that the dress should be expensive. Whatever appropriate dress a salesman may choose, must be clean and well-pressed. The shoes must be well-polished and free from any dust. There should be a suitable neck-tie. The use of 'dupatta' is a must for girls. The dress should not be gaudily coloured, like that of a bride or a bridgroom. The shades of colour should be chosen according to the season. Although the question of choosing a dress depends upon individual likes and dislikes but one should also care for the likes and dislikes of others. It is not essential to adopt certain hard and fast rules in connection with dress, but instead, the need for dress may be changed according to the nature of work.

(ii) **Body Cleanliness** :

In addition to the dress, body cleanliness is also very essential, even the exposed parts of the body needs being cleaned. A well-washed glowing face, dressed hair, clean teeth and beautiful hands give a good impression to the customers. In case of men, a good hair cut and a clean shave is very necessary. The sales-girls should never do heavy make-up. Long nails of ladies are not usually appreciated. It is essential to attend to cleanliness in order to make the pesonality attractive.

(iii) **Physical Health :**

A sound physical health of a salesman is another important factor contributing to the promotion of salesmanship. A light daily exercise is quite sufficient to keep up a sound and well-proportioned body. The working capacity of a salesman is enhanced on account of sound health. In order to keep such health and derive pleasure out of work, suitable and balanced diet is very much essential. Weak eye-sight, weak sense of hearing, unbalanced gait put obstacles in the work of a salesman.

(iv) **Habits :**

It is quite obvious that every person has some good or bad habits. When a particular habit becomes confirmed in a person, it also becomes very difficult to change it. A difficult problem concerning habits is that in most cases, a person himself does not know the presence of a certain habit in him and nor do other people point it out although they do not like it. In salesmanship, any habit of a salesman may lead to loss of opportunities for sale, e.g. to comb hair again and again, to put hands over head and face, to look through the spectacles, to laugh again and again without any occasion, to chew chewing-gum, to talk during the meals, to adjust one's neck-tie or collar in case of men and the 'dupatta' in case of girls, to clear one's throat during conversation again and again, to put a pencil or a pen in the mouth etc., are among bad manners or habits. Unnecessary use of these habits tend to divert the attention of the customer during the business from the main subject, which makes him feel bored.

HIDDEN CHARACTERISTICS OF THE PERSONALITY

By hidden characteristics of a salesman's personality we mean those, which when used, help promote the chances of success in the initial stages of negotiations.

(i) Voice :

We can not deny the magic of a voice. It is necessary that a salesman's voice should be musical and captivating. The tone should be sympathetic, pleasant and sincere. The talk should be purposeful and to the point. The way of conversation should be natural and not artificial. The words used should be correct and properly chosen. The voice should be medium-pitched, neither too high nor too low. As the objective of conversation is to make the sale possible by convincing the customers reasonably, it is imperative for the salesman to keep up the interest of the customer with the help of one's voice and talk.

(ii) Attention and Respect :

It is also essential for a good salesman to show respect to the would-be customer so that he is well-impressed by the good manners of the salesman. The sale may be large or small, it is not only the moral duty of a salesman to look upon every customer with regard and respect but also a basis for creating a pleasant memory in the mind of the customer. A salesman should pay attention to whatever the customer says and keep his wishes in view. If a customer seeks advice, it should be given.

If a customer wishes to get some information, the salesman should not hesitate in providing it but should rather show willingness to do so. A salesman should never show a negative reaction to an unreasonable attitude of the customers. An irritated tone and tired way of talking displeases a customer. A salesman should never refuse to show goods again and again, but should rather provide full opportunity to the customer to select them with a cool and at-peace mind. To urge the customer to decide quickly makes the sale impossible.

(iii) Courtesy and Politeness :

To show courtesy and politeness to the customers during conversation is a sure way of success for a salesman. To give a welcome smile to a customer and use suitable sentences to inquire about the purpose of his visit not only shows respect to the customer but also becomes instrumental in strengthening his confidence in the salesman. It is a moral obligation of a salesman to offer a seat to a customer. If a salesman is busy in dealing with other customers. he should politely excuse himself from the new one. It is not essential for a salesman to prepare a parcel of the articles purchased at the conclusion of a deal and then thank the customer. This behaviour indicates to the customers that the salesman is always waiting for new customers. It should be a part of a salesman's basic code of ethics to keep the old customers continue to come and attract the new ones. To thank the customers at the end is an indication of courtesy and politeness.

BASIC OBLIGATIONS OF A SALESMAN UNDER DIFFERENT SITUATIONS

All kinds of business do not provide the same kind of services. Every business is different from the others. The fundamental cause of these differences is the nature of a particular business e.g. the industries produce articles while the store sell these articles ; the transporters provide transport facilities to the people while an importer imports goods from the foreign countries and sells them to the local merchants, as different kinds of business differ in respect of the goods they sell and the services they provide, in the same manner the salesmen working for them differ in respect of their duties, responsibilities and the method of sale.

We can classify the salesmen on the basis of their work and responsibility as given below ;—

(i) Manufacturer's salesman.
(ii) Whole-saler's salesman.
(iii) Retailer's salesman.
(iv) Speciality salesman.

(i) **Manufacturer's Salesman :**

The basic duty of a manufacturer is that he should utilize raw material in his factory or mill in such a manner that the goods thus prepared are purchased by others, e.g. to manufacture yarn from cotton, cloth from yarn, and machinery or spare parts from cast iron, etc. As a manufacturer produces goods on large scale and has to adopt different methods for their sale and disposal, the salesmen attached to this field provide different kinds of services. They manage to provide these goods on behalf of the manufacturer to the whole-salers, retailers, distributors, middlemen and other salesmen. These customers of the salesmen buy these goods for others to sell instead of their own consumption. The salesmen attached to the manufacturers can further be divided into a number of groups on the basis of their specific functions :

(a) Pioneer-Products Salesmen :

The fundamental duty of these salesmen is to arrange the marketing of new products introduced by the manufacturers and offered for sale for the first time in the market, as well as to convince the traders to bring round other buyers and induce them to buy them. These salesmen usually have extraordinary qualities, are well-acquainted with the business secrets and are experts in their work. Due to their long experience they convince the would-be buyers and help promote the sale of new products. They also advice the manufacturer on salesmanship. The most difficult and important problem in the field of salesmanship is to successfully introduce a new product in the market. This is why such salesmen are superior as compared to others in respect of compensation and salaries.

(b) Dealer-Selling Salesmen :

The basic duty of such salesmen is keeping the supply in the market balanced and regular. As the buyers of the goods produced by the manufacturers are business-men, the salesman therefore himself goes to them to inquire about their needs and requirements and then arrange the supply of goods accordingly. He keeps on his rounds to the market, and the buyers are aware of his programmes. Every salesman of this type is supposed to supply goods in a specific area. It is a part of his duty to arrange maximum supply of goods to the old customers and to find out new ones. He contacts his customers on telephone as well, during fixed hours in his office, and finds out their needs and requirements. He also arrange to supply goods in addition to what is scheduled. He conveys suggestions, advice and complaints of the customers to the manufacturer. Such salesmen attached to the manufacturers are largest in number. The success and profit of any industry depends on them.

(c) Missionary Salesmen :

These salesmen are not directly involved in the sale of goods nor do they convince and induce the customers to buy. They instead, advice customers and other salesmen to promote the sales on behalf of the manufacturers. They exchange views with the customers about the goods. They study the rise and fall in the sale and purchase of goods and put up new suggestions to the manufacturers. In fact, their function is to remove the weak points in salesmanship and thus promote the sale indirectly.

(ii) Whole-Saler's Salesmen :

Whole-sale business means the business in which a person purchases large quantities of goods from the manufacturer and sells in small quantities to the retailers. They arrange the sale of goods in the following three ways :—

(a) Trade Through Mail :

It is possible to carry on business on a small scale through correspondence. Such a salesman arranges the supply of goods in accordance with the requirements of the customers by railway or trucks.

(b) Sales Representatives :

Such representatives go round the markets and show the prospective merchant the specimens of the products they have and give them necessary information about such products. They as well inform them about the business policies e.g. the discounts rebaters. etc. They book orders for sale and keep their principals informed. Their work is to meet people, provide information and listen to the complaints of the customers.

(c) Delivery to Buyer :

These salesmen supply goods to the retailers. The distribution is done in a manner that the buyer does not have to come to the godown to buy the goods but instead the salesmen undertake to supply them at the place of business. They receive the payment and issue cash-memo or receipts. They have no authority to sell on credit.

(iii) Salesmen in Retail Business :

The retail business means the business in which the traders sell goods direct to the consumers or the users. As such business is done at shops or stores, the salesmen are needed to provide sale service, which is considered to be the easiest in the field of salesmanship. This work can be accomplished with a little common-sense. One does not have to go out in search of customers. These salesmen distribute the work among themselves according to the nature of the store and its extent. If it is divided into different sections, each salesman is responsible for the sale in his particular section. In such stores, purchase of goods becomes more important than their sale, because the customer himself is in search of a place where it is possible for him to buy all the things he needs. He is already prepared to purchase and the purchase becomes possible with a little attention of the sales-man. It is because the purpose of the entry of a customer in a store is to find suitable articles. If he finds his needs the purchase becomes sure. The salesmen working in these shops and stores provide sales-service only and have no practical share in the promotion of sales.

(iv) **Speciality Salesmen :**

Such salesmen are attached to the organizations which arrange for production or sale of the goods which require some technical skill to use them. They are acquainted with the technical requirements of the goods they sell. Alongwith their sales, it is a part of their basic duties to provide necessary information about the use of these goods as well as to demonstrate their use e.g. knitting machines, washing machines, type-writers, counting machines, etc. require technical information about the working of such products.

MORAL OBLIGATIONS OF A SALESMAN

The basic duty of a salesman is to provide necessary sales service, which is simultaneously available to the owner of the business as well as the customers. The secret of the success of a salesman is to work honestly and sincerely for the fulfilment of his duties in order to come upto the expectation of both the parties he is linked with. That is why the company on one hand takes the risk of entrusting an important responsibility to a salesman, the customer too, on the other hand, reposes his confidence in him without any doubt or suspicion.

This confidence of the owner of the business as well as that of the customer is the basis which entitles a salesman the high position in the society he enjoys. Let us see as to how a salesman performs his duties he deserves on account of being trusted by his employer as well as the customer.

The sale of goods and the customers are directly related to each other. If a sense of service to the customer is developed, the sale of goods become certain. The sale of goods in service more to the salesman himself than the customers ensures his own success. It results into a possibility of getting more compensation for himself. It is this sense of service to the customer that increases the prestige of a salesman in the eyes of the employers.

In addition to a sense of service to the customers, there are other moral obligations the fulfilment of which should be the foremost principle of a salesman. The customer and two persons meeting together cause the completion of a sale. The customer trusts the company. Hence the relationship between the customer and the salesman based upon trust should never be made to suffer. The sale depends upon good intention, sincerity and the extreme trust. It is also the duty of the salesman to consider his customer as a respectable person and should care for the interest of customer. It is very much essential that the personality of a salesman is dependable, reliable and trustworthy.

To be dishonest to the customer and to prefer one's own personal interest can ruin the prestige of a salesman. In the world of salesmanship, wrong statements, unjustified praise of the goods, wrong advice and sweet flattering words may let the sale succeed for the time being and it cannot continue for long.

To discriminate between customers and not to adopt the same attitude for all is an indication of discourtesy and unethical behaviour. To expect every visiting customer to become a buyer is not necessary. Instead, the foremost object should be to have regard for every customer.

It is to put one's prestige at stake to make such promises to the customer as cannot be fulfilled. One should make only such promises as may be practical and real. Before selling out an article, the salesman should ascertain whether it is going to meet the requirements of the customer. One should never try to sell such articles to a customer as cause him worry.

If a customer seeks some advice before purchasing anything, he should be given every help in making a selection and should be adviced correctly about everything. A salesman should never finalize a deal unless he is fully convinced about the customer's requirements and the quality of the article. He should always put himself in the position of customer and thus finalize the deal. He should never adopt any such method in selling an article which may have any possibility of causing loss or worry to the customer.

Sometimes, situations arise when a salesman has to choose between safeguarding the interests of the customer or the owner. If a customer brings in a complaint about an article, to compensate for which may cause a loss to the owner, he should have the moral courage to bring round his company to face the facts. He should explain the point of view of both the parties in order to protect the interests of the customers as well as the privilege of his company. It is not against the interest and prestige of a salesman to be mental and acknowledge the facts. It rather goes in his favour. It is a sign of wisdom and fore sight to sacrifice the immediate interest for the sake of the future.

TYPES OF SALESMEN

Fundamentally, the services of a salesman are divided into two kinds, namely.

1. Owner Salesman.
2. Paid Salesman.

1. Owner Salesman :

One has mostly to deal with such salesmen in the field of business. They are actually the owners of their business. They themselves supervise all the affairs relating to the business as well as take an active part in the complicated process of sales. This kind of salesmanship generally succeeds because of the fact that they try to inculcate in them all such qualities which are in the best interest of the customer as well as theirs. They get the full compensation of their labour in the form of profit. It is the oldest form of salesmanship. Such salesmen do not need to depend upon others in case of changing a decision. They contribute most in the process of sales. The owner-salesmen are forced to take upon them this role due to the following three reasons.

1. Small Unit of Ownership :

If the business is conducted at a limited level and with a limited capital in such a way as may allow the owner quite sufficient time, after supervising the business getting the supplies, etc., then the owner prefers to take up salesmanship instead of leaving it at the mercy of others. If he needs some help, he engages one or two servants. But all the important questions of business are settled by himself. In this way, the compensation to be paid to the employees goes into his own pocket.

There are such kinds of business which cannot bear an employee salesman. The consumers buy articles of their daily use from such salesmen e.g. green-grocers, cigarette, and pan vendors, small shop-keepers in 'mohalla', barber, butchers, sweet-sellers etc.

(ii) **Partnership Business :**

In partnership business, the number of owners is more than one. If the business is not too much wide, the partners manage all the affairs themselves. The work is divided in such a manner as may give choice to every partner to take up the work he likes according to his ability. Thus the responsibility is divided among them.

They all conduct the business in accordance with a decided plan. If they consider it proper, they allow each partner to get compensated to the nature of work he does and the responsibility he undertakes, in addition to his share in the profit. The services of any such partner are more important for the business. The work of salesmanship is however performed by themselves. There are no great problems in such business.

(iii) **Special Features of Business.**

There are certain types of business for which the presence of the owner is not only necessary but also an imperative need. Such types of business is connected with services and articles which are based upon needs which require the individual taste of the customer to be satisfied. This responsibility cannot be accepted by any other salesman except the owner-salesman himself ; nor do the owners like that their customers should not get the things of their taste, e.g. jewellers, tailors, embroidery workers, furniture-makers. etc.

As all these types of business provide goods and services according to the individual tastes, needs and capacity to afford, the owners therefore undertake the work of salesmanship themselves, so that no occasion for any complaint arises and the goods may be provided to the customers according to their individual wishes and tastes.

2. **Paid Salesman** :

A paid salesman is a person who helps another business-man in the field of sales and gets compensated for his services in the form of salary, commission, bonus and allowances.

As the world of business is expanding day by day and business projects have crossed the national boundries and covered the whole world, the services of a number of people are needed to manufacture and produce goods and to supply them to the final consumers. The paid salesmen have an important position among such people. In fact, it is these paid salesmen who play an important role in successfully running the factories and mills covering hundreds of thousand acres of area.

A salesman undertakes the responsibility of working the business successfully on the condition that he may expect a reasonable compensation for the services he renders. As the salesmanship is a very complex operation, the different firms and industrialists adopt the following different methods of fixing the compensation for their salesmen according to the nature of their work and services :—

(a) **Direct Salary :**

The simplest and the easiest method of fixing the wages of a salesman is to pay him a monthly salary at a fixed rate. If the nature of work of a salesman requires him to do it during the fixed working hours, the payment of salary becomes essential. Such salesmen perform their duties at a store or a depot during fixed working hours. A fixed salary provides financial security to salesman, as the increase or decrease in the quantity of goods sold out does not effect the salary. Though this method provides security of being compensated, yet though in it, the salesman generally becomes active and lithargic. In this way the urge to work becomes weak which adversely effects the sales.

(ii) **Commission.**

As an alternative to fixed salary, a salesman may be paid by way of commission. In this method, the compensation to a salesman is calculated on the basis of the goods sold through him. The more the quantity of goods sold, the higher the commission is. This method is usually adopted in sales operation in which it is possible to judge the quantity of goods sold and income received through the personal efforts of a salesman. The income of a salesman when he is paid in this way, is determined by the efforts puts in. All the salesmen do not get the same income in this method, but their income varies according to the extent of sale. A salesman can get full compensation for his services. The urge to get more commission induces him to be more hard-working and zealous.

(iii) Salary and Commission.

Some firms provide for the payment of salary as well as commission to their salesmen. The salary structure is fixed according to the current and accepted rules, and alongwith it, they pay commission on sales above a certain fixed limit. This commission is in fact a compensation for the extra services. It is a safer method of payment for the salesmen when their salary is supplemented with commission.

(iv) Bonus in addition to salary or commission.

Some firms promise to pay bonus to their salesmen in addition to the regular payments in any method they adopt. This is done with a view to promoting their sales. The salesmen desirous of getting bonus work with more keenness and attention in order to promote the sales during a given period. The amount to be paid as bonus is fixed in advance.

(v) Allowance.

In addition to compensation for the services of their salesmen, some firms provide additional conveniences to them, which include residential accommodation, conveyance, clothes etc. If these conveniences are not provided, they are substituted by some firms with different kinds of allowances, e.g. house-rent allowance, medical allowance, dearness allowance, travelling allowance, laundry allowance, refreshment allowance etc. These allowances are in addition to the salary or commission, and are a source of great attraction for the salesmen.

SALE THROUGH PUBLICITY

Business concerns or industrialists do not depend upon the services of their salesmen alone in order to promote their sales but also utilize effective publicity media. On one hand, the publicity induces the customers to buy and on the other, the saleman completes the sale-operation with his wisdom and tactics. In other words, the work of a salesman and publicity are complementary to each other. Their objectives are also the same i.e. to sell out maximun quantities of goods.

Business concerns and industrialists also consider publicity as a necessity because they are fully aware of limitation of the sphere of influence of their salesmen. They know that the circle of personal contacts of their salesmen is limited to a few persons while the quantities of goods produced need more and more payments. The salesman also does not know as to what should be introduced to whom in order to promote the sales. He is not aware of the needs and wishes of all the people. He cannot meet them just for sake of reminding them. It is as well impossible for a salesman that he may go on telling every one around him about the company and its products. Furthermore, it is not always possible for a salesman to convince a prospective buyer to purchase on the very first meeting. A salesman is not able to find out the persons who are really in need of some particular articles. He cannot immediately make the sale of a newly-produced article a success unless the customers are given necessary information in advance. These difficulties faced by a salesman compel the manufacturers to adopt the means of publicity, because all the efforts of a salesman may go in vain unless he is supported with effective publicity.

The means of publicity should be selected and used after due thinking. It is the use of proper and suitable means of publicity which may prové effective for the promotion of sales. Only those means of publicity should be adopted which have the ability to reach the persons who are really in need of the articles publicized. A wrong selection of a means of publicity is always ineffective, e.g. to give an advertisement for a shaving cream in a women-magazine or for travelling agency in a children-magazine. It will lead to a wastage of money and cannot produce encouraging results. Before using any means of publicity one should take into consideration as to what extent it has an access to the people. The media of publicity generally include radio, television, news-papers, magazines, posters, pamphlets, sign-boards, cinema-slide, cinema-films etc. which have different spheres of influence. In addition to these media of publicity, different kinds of articles are provided free as a long-range plan for publicity e.g. key-rings, purses, calenders, diaries, cigarette-lighters, ash-trays, and decoration pieces etc. What ever media of publicity for goods or services are used, they should create influence to promote the sale.

The basic objective of publicity is not to get an immediate reaction in the form of the sale of a particular kind of good. It is rather to provide informatien to a person sufficient enough to keep an image of the kind of goods in his mind, so that if he is in need of that thing, he should buy it. The things remembered by a person as a result of a publicity compaign are the names of a firm or a company e.g. Hamdard Dawakhana, Bata Shoe Company, Medora of London, or the names of some well-known articles like, Tallo Banaspati, Rooh Afza, Coca Cola, or Lux Toilet Soap, having very little information about the company. The consumers either trust the brand-names or the names of companies. For instance, Bata Shoes are bought because of the good name enjoyed by the Bata Shoe Company.

The publicity enables an industrialist or a manufacturer to have an access to the general public, which generates four different kinds of reactions among them :—

(i) The attraction of the publicity draws the attention of the public to the message of the manufacturer.

(ii) It changes the ideas of the public and increases their interest.

(iii) It creates an urge among them, generates wishes in them and brings them round to buy, which may be expected to increase the sale.

(iv) It paves way for the salesman and lead him to success when he takes a practical step to sell.

The publicity whether done by the manufacturer or the distributor does effect an increase in the sale of goods. Publicity creates an urge among the public to buy and prepares them to do so. Whenever a person gets influenced by the publicity and wants to buy something, he instead of going to the manufacturer, contacts the store or the shop where the publicized articles are available. An increase in the demand or sale of a particular item at a shop or a store means an increase in its own demand, to meet such demands the manufacturer will supply goods by disposing of his own stocks. An increase in the sale, whether at the wholesaler's or the retailers, mean more profit to them, which ultimately leads to more profit or compensation for the manufacturer as well as the salesman. The publicity does not limit its influence to increase the sale of publicized goods at a shop or a store, but an increase in the number of customers and their visits to a particular store also increase the sale of other goods. It is due to the fact that a customer may not necessarily buy only the publicized items from the store and leave it.

While the publicity becomes a cause of sales-promotion for the manufacturer, it is also beneficial for the consumers or the customers. A customer easily becomes able to buy according to his need. The information supplied by a publicity campaign is also helpful in future purchases. His knowledge about the qualities of various goods and their prices help a customer in finalizing his selection.

Common Buying Behaviour of Consumers :

It is not difficult for a salesman to realize that all the consumers do their purchases under some pressing need or a personal urge. Every consumer wants to fulfil his need and satisfy his urge when he goes for shopping. As a consumer is a constituent of a society, theconsumers too show similarity in their urges like other individuals. The urges affecting the purchases by a consumer are influenced by the environment in which a consumer lives as an individual. The shopping done by a consumer is either motivated by social traditions or by the habits which we adopt under the influence of our environment and society. The shopping, done under the influence of the social environment, does give due importance to the sentiments of other members of the society and their likes and dislikes.

A consumer selects the articles during his shopping for his personal satisfaction. He always keeps his personal interest in view and is never prepared to sacrifice in any case. Whatever he pays protecting his interests is actually the price he pays for his satisfaction.

A consumer does his shopping in order to get his basic interests, which are governed by his specific urges and under the influence of which the urge to buy appears. This appearence of an urge to buy is the result of the following factors :—

(a) **Convenience** :

A consumer's convenience in shopping depends upon those articles which he buys in order to make his family life comfortable e.g. a Car, Water Connection, Gas Connection, Electric Connection, Fans etc. The comfort provided by these things to the family can very well be estimated when these are not available.

(b) **Luxury** :

A motivation to buy luxury goods appears on account of the influence of other members of the society or an individual The items like furniture, crockery, television, radio, air-conditioner, refrigerator, car, bungalow etc. are some of the luxury goods.

(c) **Security** :

A sense of security is the result of a consumer's own mind. The most important urge working at the back of a desire is to have security for the children and some permanent comforts for the family is this sense of security and its achievement. Purchase of an insurance policy, investment in saving schemes, buying food and medicines for the children, purchase of property, educational expenses etc. all are motivated by an urge to achieve security for the family and for one's own self against financial troubles.

(d) Social Prestige and Status :

Every consumer lives as a member of a given society. Every individual has a social classification i.e. the poor or the rich and this classification is done on the basis of the goods he has. Every consumer considers it essential to get conveniences and luxury goods within certain limits in order to achieve this status. Such consumers buy goods under an urge to imitate rather than on account of the importance of those goods, e.g. design of a bungalow, decoration and convenience of a drawing room, model of a car, choice of dress, standard of food etc.

(e) Emotions of Love and Affection :

One aspect of a consumer's shopping is that sometimes he does not buy things on the basis of some logical reasoning but, instead is motivated by emotions of love and affection e.g. buying toys for children, novels, sport goods, insurance policy, medicines, spending on tourism, expenditure on Haj and pilgrimage etc. All these expenses are borne under the pressure of some custom, habit, or emotion of love and affection.

(f) An Urge to Show Off :

When the financial condition of some consumers assume a conspicuous importance, most of their shopping is done under an urge to show off and desire to make themselves conspicuous. Such consumers always do their shopping with a desire to make themselves distinguished from others. They choose to buy only those articles which are used by a very few people e.g. costly jewellery and ornaments, unique design for a bungalow, costly carpets and furniture, expensive articles of decoration like paintings, handicraft specimens, very expensive model of a car etc. All these things are not bought on account of some necessity but just in order to impress others and to make themselves distinguished.

Whatever be the urges or sentiments motivating above mentioned kinds of shopping, each causes satisfaction and pleasure to the consumers who always declare it genuine and justified.

CLASSIFICATION OF CONSUMER BEHAVIOUR

The peculiar attitude or the way of expression which a consumer adopts is very important and significant in analysing his behaviour. All consumers do not show the same behaviour during their shopping but rather different one. Not only the different customers show different kinds of behaviour while making purchase but also that the same consumer may adopt different kinds of behaviour while making different moments of time.

As all the consumer do not show the same attitude while shopping, the salesman too needs adopting specific attitudes for different customers so that suitable and appropriate behaviour may be adopted for each different customer, according to his temperament and way of thinking. Although it is very difficult to assess the way of thinking of all the customers, yet a saleman may on the basis of his intelligence and experience, succeed in guessing the behaviour and attitude of particular customer as to what method may be adopted to make the deal a success with him.

The classification of the attitude and behaviour of the consumers is done by the salesman in two manners. The first is on the basis of their information and the other on the basis of their attitudes and the ways of expression.

The classification of the consumers on the basis of their information is done according to following categories :—

(a) There are consumers who, before entering a shop or a store know their needs and have information about the things they need, which may satisfy them.

(b) There are consumers who are aware of their needs but do not know the things which may satisfy these needs.

(c) The third category of the consumers is those whose purchase of an article does not result from their needs but they select an article under spontaneously arising need, that is the need to buy appears on seeing a thing which is selected.

In day-to-day shopping every consumer may conform to one of these three conditions. Every consumer sometimes knows his needs as well as the article which may satisfy it. Sometimes the need is known but the thing is selected in the store itself and sometimes neither the need exists nor any information about the articles but rather the decision to buy is taken in the store on account of the availability of the articles and their attraction.

The second type of classification of the consumers is done on the basis of their behaviour and attitude while shopping. This attitude is shown by a consumer while buying an article. The salesman classify their customers on the basis of their attitude into the following categories :—

(a) Sympathetic and Friendly Consumers :

This category of consumers comprises the old customers of the shop and the sale is done in a very friendly and cordial atmosphere. Such customers always have a good opinion about the shop or the store. They have full confidence in the salesman who in return has sure regard for such customers.

(b) Business-Like Consumers :

This category of consumers finalizes the deal in a pure business-like manner. They always prefer a purposeful conversation and select the goods as well as decide about the price after due and careful thinking. The deal is usually finalized quickly.

(c) Un-Emotional and Quiet Consumers :

Such consumers always show a balanced personality while purchasing goods. They very rarely express their personal bias and emotions during it. They repose more than necessary confidence in the salesman. It is very difficult to find out whether such customers are pleased or displeased.

(d) Critical Consumers :

Such consumers have their own principle of shopping. They keep an eye on the good and bad points of the articles and are extremley careful and cautious in payment. They have vast information about the quality of goods as well as their prices. They demonstrate the best principles of shopping.

(c) Negative or Quarrelsome Consumers :

This category of buyers is by nature quarrelsome and emotional They always show a negative attitude while shopping. They do not tolerate a little fault of the salesman and create a fuss on very petty issues.

The classification of consumers is done on the basis of their attitudes and expression. Similarly a single consumer may adopt different behaviour at different times or while buying different things.

It is therefore necessary to divide the consumers on the basis of their classes instead of their types.

WAYS OF HANDLING DIFFERENT TYPES OF CONSUMERS

As the consumers on the basis of their peculiarities and characteristics, do not show similar attitudes or behaviour, the salesman has to use various methods for analyzing the character of a consumer. This is necessary in order to make the sale successful and to decide about the category and the way of thinking of the customer. Before forming an opinion of a consumer, it is essential to study him well from different angles so that a sound opinion is formed about him.

The salesmen divide their method into two parts. The first one is called 'Diagnosis' which means to form an opinion with a view to decide about the category of the customer. The second one is their own behaviour which they adopt after the diagnosis of the customer. This is the "Treatment". The more a salesman is expert at the diagnosis of his customer, the more successful is the treatment he gives them, which result in better sales and better satisfaction and pleasure of the consumers.

1. DIAGNOSIS

A salesman adopts the same procedures and methods to diagnose his customers and form his final opinion about them as are adopted by a doctor to diagnose the diseases of his patients and to satisfy them. A doctor gives importance to knowing the causes of a disease before prescribing a medicine for it. Similarly, a salesman classifies his customer according to his needs and requirements and then tries to use the treatment and adopt the method which is suitable and appropriate for that particular customer. Following factors are most helpful in classifying a consumer :—

(a) **Appearance** :

The most prominent feature of a customer is his appearance. His dress, shoes, and facial expressions indicate whether he is a man of taste indifferent, rich or poor and give a due to his temperaments, help a lot in understanding him.

(b) **Manner of Conversation and Expression** :

An opinion about a customer may be formed, on the basis of his conversation and way of expression, during which the salesman may make a guess about his likes and dislikes and taste by listening to him patiently.

(c) **Attitude and Behaviour** :

When a salesman begins his talk for sales, every consumer shows a peculiar attitude. This indication of his attitude gives a clue to the mental condition of the customer. The attitude of the customer helps in knowing his likes or his lack of trust in the salesman.

Before forming a final opinion about the consumers, a salesman always classifies them in the light of the aforementioned principles. It is not neccessary that the salesman's guess is always correct, but it is however essential to diagnose the consumers according to these principles in order to discover the basic difference in their temperaments It is because a uniform method or behaviour in relation to the consumers is not an indication of wisdom. It is imperative for the salesman to adopt the treatment for a consumer after he has formed an opinion about her.

2. TREATMENT FOR THE CONSUMERS

When a salesman has formed a final opinion about a consumer and has classified him, the second stage, that is of treatment begins. This treatment is the attitude of the salesman which is based upon the individual diagnosis of the consumer, that is the type of attitude adopted towards the consumer which may help achieve success in salesmanship. Whatever class the consumers may belong to, the salesman must always try that the consumer should make his purchases in a business-like manner which means that he should have full satisfaction in buying and that he should buy in his own interest. This is because of the fact that it is arousing this feeling in the consumer which gives success to the sale process.

A salesman tries to succeed with his sales by keeping the following principles in view while dealing with his consumers.

(a) Immediate Attention :

In order to win the appreciation and pleasure of customer or consumer, the foremost principle of a salesman should be to give immediate attention. In certain cases this should be considered as a must. The first and the best impression a salesman creates is considered to be resulting from his immediate attention to the customer. A salesman should always try to be aware of a customer's arrival and attend to him.

To give a customer the torture of seeking attention is in fact a denial of his importance which later result in the break-down of negotiations.

To take the lead in attending to the customer, is in fact like giving him the impression that the administration of the depot or the store appreciates his arrival and his patronage. This will considered to be the first step in creating a pleasant change in the attitude of the customers. They never adopt an inappropriate attitude when they find them respected and honoured.

(b) Trust Worthy Attitude :

A salesman should try to make his personality trust worthy through his attitude and expression. He should try to change his attitude appropriate according to the situation. Whatever he says should certainly be correct. He should make such aspects of his personality conspicuous as may create in a customer a feeling of confidence for the salesman.

(c) Advisory Service for the Customers :

There are some consumers who are aware of their needs or requirements but find difficulty in selecting the articles they need. In such a situation it is the moral duty of a salesman to give a sincere advice to his customers. He should try to show as many varieties as possible and provide correct information and thus help his customers reach the decision. The information given should be clear and easy to understand. The customer should be helped to decide without any trouble. The salesman should keep in his mind the likes and dislikes of the customers while helping him to select the desired articles.

(d) Friendly and Sympathetic Behaviour :

A salesman should always try that the sale-purchased agreement is arrived at in a very friendly atmosphere. To be friendly with the new customers and to maintain the friendship with the old ones is one of the good principle. The old customers always deserve some special attention.

(e) Business Talks :

A salesman should also know that the majority of the consumers likes to finalize the deal in a perfect business-like manner. This means that they decide to buy only when they are certain that the salesman is not working against their interest. Under such circumstances, it is useless to prolong the negotiations because such consumers only appreciate purposeful talks.

(f) Interest of the Consumers :

The consumers who are by their nature quiet and not talkative, do not show any kind of sentiments while shopping. It is very difficult to understand such consumers. They very rarely express their attitudes or impressions. A salesman may lead them to incorrect purchase. But such consumers always have a special point of view during the purchase which is connected with the future ones. To win the confidence of such consumers and to emphasize their interest is not a difficult job for a salesman but to make them his permanent customers should be considered a work worthy of being proud of.

(g) Sale Through Arguments :

A majority of the customers have habit of being critical. Such consumers deserve special attention of the salesman to get annoyed with criticism, which means, that the customer is right. A salesman's attitude and method of work need more care in case of such customers. He should listen carefully to what the customer says or complains and if there is some truth in it, he should accept it. He should make use of every method to satisfy his customers. He should also learn from other's opinions. Instead of finding faults with the customers, he should think over what others feel about him. As a matter of fact, it is this class of consumer which lay the foundation of a salesman's experience, through whom he is able to expand the extent of his knowledge. Such a class of consumers has vast information and they cannot be convinced easily. But if convinced, they convert to truthworthy and friendly customers. Not only this but they also help making others as customers. The customers belonging to this category always enjoy a wide circle of friends who prefer their opinion and like to shop in their company.

(h) Expressing Good manners :

A salesman has sometimes to deal with such customers who show their reaction in the form of anger and displeasure. Such customers sometimes adopt a very lowly rude and uncivilized attitude. Their presence sometimes becomes unbearable for the salesman or the business. In such a situation, a salesman can keep up his prestige by showing patience and good manners. To reply to the improper attitude of a customer with the same type of attitude is very detrimental for the sales. To control one's feelings under such circumstances and to talk politely is an attitude of good behaviour and manners. Such an attitude of a salesman is the only remedy for this type of angry and rude customer, because the good manners of a salesman will force even such a customer to think about his own behaviour who will turn into a calm, quiet and polite one due to his own feeling of shame.

QUESTIONS

1. **What is meant by Salesmanship ?**
2. **Why does an industrialist consider the services of a salesman important for sales ?**
3. **Write about the qualities of a good salesman ?**
4. **What merits should a good salesman have ?**
5. **What characteristics should be present in the personality of a good salesman ?**
6. **What is meant by the apparent personality of a salesman ? What importance does it bear for a customer ?**
7. **What inherent qualities must be present in the personality of a salesman ?**
8. **What duties are performed by a salesman for an industrialist ?**

All rights reserved with the Punjab Text Book Board Lahore.

Prepared and Produced by the Punjab Text Book Board, Lahore, vide circular No. S.O. (C) 10-25/74 Dated 15-7-1975.

Reviewed and approved by the National Review Committee, Federal Ministry of Education and Provincial Coordination Government of Pakistan, Islamabad for schools of the Punjab.

Corrected by : National Textbooks Review Committee.

قومی ترانہ

پاک سرزمین شاد باد   کشورِ حسین شاد باد
تُو نشانِ عزمِ عالی شان   ارضِ پاکستان
مرکزِ یقین شاد باد
پاک سرزمین کا نظام   قوّتِ اُخوّتِ عوام
قوم، مُلک، سلطنت   پائندہ تابندہ باد
شاد باد منزلِ مُراد
پرچم ستارہ و ہلال   رہبرِ ترقّی و کمال
ترجمانِ ماضی، شانِ حال   جانِ استقبال
سایۂ خدائے ذوالجلال

Serial No.   Subsidized Price   Code No. G, 244

Rs: 10.20

315

Edition	Date	Copi
Ist	March 1983	500